

**An Evaluation of socio-economic Impact of the
National Backward Classes Finance & Development
Corporation (NBCFDC) schemes on the lives of
beneficiaries in Himachal Pradesh.**

Submitted by:

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AN EVALUATION OF SOCIO-ECONOMIC IMPACT OF THE NBCFDC SCHEMES ON THE LIVES OF BENEFICIARIES IN HIMACHAL PRADESH.

BACKGROUND:

National Backward Classes Finance & Development Corporation (NBCFDC) is a Government of India Undertaking under the aegis of Ministry of Social Justice and Empowerment. NBCFDC was incorporated under Section 25 of the Companies Act 1956 on 13th January 1992 as a Company not for profit with an objective to promote economic and developmental activities for the benefit of Backward Classes (target group) and to assist the poorer section of these classes in skill development and self employment ventures. NBCFDC provides financial assistance through State Channelizing Agencies (SCAs) nominated by the State Governments/UTs and some Regional Rural Banks/ Public Sector Banks with whom NBCFDC entered into a MOU. In the state of Himachal Pradesh NBCFDC provides financial assistance to its target groups through state channelizing agency nominated by state government namely Himachal Backward Classes Finance & Development Corporation . NBCFDC also provides Micro Financing through SCAs/ Self Help Groups (SHGs). The Corporation assists a wide range of income generating activities to assist the poorer section of these classes in skill development and self-employment ventures.

Backward classes are class of people other than SC and ST, living in low socio-economic status because of their low earning occupations. To uplift these marginalized sections of the society, the Central Government and State Governments have made a lot of efforts by implementing various welfare schemes. In Himachal Pradesh, with the help of NBCFDC the Himachal Backward Classes Finance & Development Corporation were releasing huge amount of funds with the objective to improve the living conditions of these people and bring them above poverty line. But still there is a scope for expansion of schemes offered by NBCFDC. If the beneficiaries utilize this financial assistance properly, they may improve their status ultimately. Therefore, there is a need to evaluate the impact of NBCFDC schemes and empowerment of these peoples after availing the financial assistance from NBCFDC and further improve the system of its implementation in Himachal Pradesh. The result of the study will assist in fine tuning the NBCFDC schemes and enhance the empowerment process of backward classes.

RESEARCH QUESTIONS

In India, NBCFDC is taking a number of steps to promote economic and development activities for the benefit of backward classes and implement schemes such as economic assistance to individuals and Self Help Groups to start entrepreneurial activities, skill development training etc. Every year this corporation distributes money given by the government for the economic development. Hence, the cost and benefit will be a measurable one. In this juncture, it is essential to find the answers for following questions:

1. Whether the beneficiaries have improved their socio-economic status after availing themselves the financial assistance?
2. What is the level of impact perceived by beneficiaries through NBCFDC schemes?

To obtain the answer for the above research questions, a study has been conducted by Dr Ambedkar Chair, Central University of Himachal Pradesh on behalf of NBCFDC for beneficiaries assisted in Himachal Pradesh by Himachal backward classes Finance & Development Corporation.

Objectives of the study:

The major objectives of the present study are as follow:

- ❖ To identify the percentage of beneficiaries who utilized the assistance from the SCAs under different schemes of NBCFDC for the intended purpose.
- ❖ To understand the percentage of beneficiaries who have crossed the poverty line and double poverty line after availing the loan.
- ❖ To examine the socio economic impact of NBCFDC schemes.
- ❖ To know performance of Himachal backward classes Finance & Development Corporation based on feedback of beneficiaries regarding the various aspects relating to business of Himachal backward classes Finance & Development Corporation (HBCFDC).
- ❖ To propose suggestions and recommendations for the improvements in the delivery mechanism and also for loan recovery performance.

Keeping in view the main objective of the study, which was inspection of beneficiaries and evaluation of NBCFDC schemes in the state of Himachal Pradesh,

a quantitative research approach comprising of a field study in a real setting appears to be most appropriate for the present research. The details of the methodology followed will be dealt in a separate section to follow.

CHAPTER CLASSIFICATION

To get a detailed idea about the above mentioned objectives, a detailed study has been conducted in the study area. The study has been divided into five chapters:

Chapter I: Introduction to the Study

Chapter II: Research Methodology

Chapter III: Analysis and Interpretation of Data

Chapter IV: Findings

Chapter V: Feed Back From the Beneficiaries and Success Stories

Chapter – I

INTRODUCTION TO THE STUDY

The main objective of the study being inspection of beneficiaries and evaluation of HBCFDC schemes in the state of Himachal Pradesh a quantitative research approach is used to achieve this objective. As per the proposed individual variables in the study a field study in a real setting appears most appropriate for this research. The study pre-dominantly depends on Primary data and Secondary data. Primary data was collected by employing a structured questionnaire. It was deduced that in Himachal Pradesh there were about 2740 beneficiaries who obtained loan from HBCFDC. Based on the multi stage sampling technique a total of 700 respondents data was collected for the study. The number of beneficiaries (Sample size) included General Term Loan (GTL) and Micro Finance (MF) categories. The sampling area of the study was selected zone-wise and district wise in the state of Himachal Pradesh.

OBJECTIVES OF NBCFDC:

Besides the main objectives stated earlier, some specific objectives are as follow:

- ❖ To promote economic and developmental activities for the benefit of Backward Classes.
- ❖ To assist, subject to such income and/or economic criteria as may be prescribed by government from time to time, individuals or groups of individuals belonging to Backward Classes by way of loans and advances for economically and financially viable schemes and projects.
- ❖ To promote self employment and other ventures for the benefit of Backward Classes.
- ❖ To grant concessional finance in selected cases for persons belonging to Backward Classes living below double the poverty line.
- ❖ To extend loans to the Backward Classes for pursuing general/professional/technical education or training at graduate and higher level.
- ❖ To assist in the upgradation of technical and entrepreneurial skills of Backward Classes for proper and efficient management of production units.

ELIGIBILITY

- ❖ Members of Backward Classes living below double the poverty line are eligible to obtain financial assistance by NBCFDC through State Channelising Agencies (SCAs) at Concessional rate of Interest.
- ❖ At present persons whose family income is below Rs. 98,000/- per annum in rural areas and Rs.1, 20,000/- per annum in urban areas are considered to be below double poverty line.
- ❖ Caste and the Income Certificates are issued by Competent Authorities in the respective States.

ACTIVITIES WHICH CAN BE FINANCED

The Corporation assists in a wide range of income generating activities under following broad sectors:

- ❖ Agriculture and Allied Activities
- ❖ Small Business/Artisan and Traditional Occupation
- ❖ Transport Sector and Service Sector
- ❖ Technical and Professional Trades/Education loan for professional Courses

The SCAs are to disburse loans for viable projects as per needs and choice of beneficiaries under above mentioned broad sectors.

HOW TO APPLY

- ❖ Prospective eligible beneficiaries should apply on prescribed form (available with the SCA) to Distt. Office of SCA where he/she normally resides.
- ❖ The applicant should clearly mention his/her felt needs and choice of vocation and training requirements, if any, in the application form.
- ❖ The applicant should fulfil eligibility criteria (should belong to Backward Class and living below double poverty line).
- ❖ Submit documents as a proof of the same such as Caste and Income Certificate issued by Competent Authority like Tehsildar /Sub Divisional Magistrate/District Collector etc.

The loan is sanctioned by SCA to the applicant keeping in view the availability of funds and fulfilment of eligibility criteria by the beneficiaries & completion of required documentation.

WHOM TO APPLY

Eligible persons desirous of obtaining assistance under NBCFDC schemes should contact the District Collector or District Manager/Officer of respective SCA's or the branch manager of the designated RRB/ PSB.

OVERVIEW OF NBCFDC SHEMES

(i) - TERM LOAN SCHEMES

A (i). Term Loan Scheme (For SCAs)

Quantum of Loan Per Beneficiary (Maximum)	Pattern of Finance	Rate of Interest (p.a.)	Maximum Repayment Period
Rs. 10.00 lakh	NBCFDC Loan 85% SCA/ Beneficiary Contribution. 15%	<i>(Upto loan of Rs. 5 Lakh)</i> NBCFDC to SCA 3% SCA to BENE. 6% <i>(Loan above of Rs. 5 Lakh upto Rs 10 lakhs)</i> NBCFDC to SCA 4% SCA to BENE. 7%	10 Years

(ii). Term Loan Scheme (For Banks)

NBCFDC loan will be available up to 100%, however, disbursement will be made as per specific demand of Banks.

B. New Swarnima Special Scheme for Women

C. Education Loan Scheme

Objectives

Inculcating the spirit of self-dependence among the women of Backward classes living below double the poverty line under Term Loan.

Salient Features

- ❖ The target group of the **New Swarnima** scheme of NBCFDC is the women belonging to Backward Classes living below double the poverty line.
- ❖ The beneficiary woman is not required to invest any amount of her own on the projects up to **the** cost of Rs.1, 00,000/.
- ❖ The rate of interest on the amount of loan is less as compared to the general loan scheme of the Corporation.

Eligibility

- ❖ The women belonging to Backward Classes as notified by the Central / State Governments from time to time shall be eligible for loan under this scheme.
- ❖ The annual family income of the applicant should be below Rs.1, 20,000/- p.a. in urban areas and Rs.98, 000/- p.a. in rural areas.

Maximum Loan Amount Rs.1.00 Lakh (Per beneficiary)

Pattern of Financing

NBCFDC	Loan	95%
SCA Contribution		05%

Rate of Interest

From	NBCFDC	to	SCA	2%	p.a.
SCA to beneficiary 5% p.a.					

Repayment

Loan is to be repaid in quarterly instalments within maximum 10 years (including the moratorium period of six months on the recovery of principal).

B. Education Loan Scheme

Objectives

To extend Education Loan to the members of Backward Classes for pursuing professional or technical education at graduate and higher level.

Eligibility

- ❖ Members of Backward Classes, as notified by Central Government/ State Governments from time to time.
- ❖ The annual income of the applicant's family should be below double the poverty line i.e. Rs.1, 20,000/- p.a. in urban areas and Rs.98, 000/- p.a. in rural areas.
- ❖ The applicant should have obtained admission for any professional courses approved by appropriate authority such as AICTE, Medical Council of India, UGC etc.

Courses Covered

All professional and technical courses at graduate and higher level approved by appropriate authority such as AICTE, Medical Council of India, UGC etc.

Purpose of Loan

Admission Fee & Tuition Fee; Books; Stationery and other instruments required for the course; examination fee; boarding & lodging expenses; insurance premium for policy during the loan period and travel expense/passage money for studying abroad.

Maximum Loan Limit

90% of the expenditure of the course subject to maximum loan limit of Rs.10.00 Lakh per student (for studying within India) & 85% of the expenditure of the course subject to maximum of Rs.20.00 Lakh per student (for studying abroad), the balance will be borne by student/ SCAs.

Rate of Interest

From NBCFDC to SCA 1.5% p.a. *

SCA to beneficiary 4% p.a. **

* 0.5% rebate on timely repayment of loan by SCAs

** girl students will get Education Loan at special concessional rate of interest @ 3.5% p.a.

Repayment Period

The moratorium, besides being co-terminus with the course for which loan has been obtained by the students, will have a further six months period for starting repayment after the completion of the course.

Security & Monitoring of Education Loans

The SCAs would ensure security of loan, tracking of beneficiaries' students and their monitoring during the loan period. The Education Loan Scheme would envisage providing Education Loan to the eligible students pursuing their higher professional courses in approved institutions only.

(ii) MICRO FINANCE

(A) Micro Finance Scheme

Objectives

In order to cater to the Micro Finance needs of small entrepreneurs belonging to the target group, the Corporation has introduced a scheme for Micro Financing through nominated Channelizing Agencies. It is desirable to disburse loans through Self-Help-Groups (SHGs) by SCAs under Micro Finance Scheme.

Self-Help-Groups (SHGs)

SHGs is a small economically homogenous and affinity group of poor people voluntarily formed to save and mutually agree to contribute to a common fund to be lent to its members as per group decision.

SCAs may also play a vital role through their field officers, encouraging people of the target group in forming Self-Help-Groups and get financial assistance under Micro Finance Scheme of NBCFDC.

Salient Features of the Scheme

- | | |
|---|--------------|
| 1. Maximum loan limit per beneficiary | Rs. 50,000/- |
| 2. Maximum number of persons in one SHG | 20 |

Implementation

The scheme is to be implemented through SCAs in rural and urban areas by way of financing the beneficiaries either directly or through Self-Help-Groups (SHGs) preferably in the areas remained uncovered so far under any of such scheme.

Eligibility of the Beneficiary

Members of Backward Classes as notified by Central / State Govt. and are living below double the poverty line i.e., annual family income of the beneficiary should be less than Rs.1,20,000/- p.a. in urban areas and Rs.98, 000/- p.a. in rural areas. In a SHG 75% of members can be from Backward Classes and remaining 25% members may be from other weaker section like SC / Handicapped etc.

Pattern of Financing

- | | |
|-----------------------------|-----|
| 1. NBCFDC LOAN | 90% |
| 2. SCA LOAN | 05% |
| 3. BENEFICIARY CONTRIBUTION | 05% |

Utilization Period: 4 months from date of disbursement

Rate of Interest

- | | |
|------------------|---------|
| 1. NBCFDC TO SCA | 2% P.A |
| 2. SCA TO SHG | 5% P.A. |

Repayment

Loan is to be repaid in quarterly instalments within 48 months (including the moratorium period of six months on the recovery of principal).

(B) MAHILA SAMRIDDHI YOJANA
(Micro Finance Scheme for women)

Objectives

To provide Micro Finance to women Self Help Groups (SHGs) belonging to the target group.

Salient Features of the Scheme

1. Maximum loan limit per beneficiary: Rs.50,000/-
2. Maximum number of women in one SHG: 20

Implementation

The scheme is to be implemented through SCAs in rural and urban areas by way of financing the women beneficiaries either directly or through Self-Help-Groups (SHGs).

Eligibility of the Beneficiary

Women belonging to the Backward Classes as notified by Central / State Govt. from time to time and living below double the poverty line (i.e. annual family income of the beneficiary should be less than Rs.1,20,000/- p.a. in urban areas and Rs.98, 000/- p.a. in rural areas.

Pattern of Finance

1. NBCFDC loan: 95%
2. SCA/Beneficiary contribution : 05%

Utilization Period

4 months from **the** date of disbursement

Rate of Interest

1. From NBCFDC to SCA: 1% p.a.
2. SCA to Beneficiary: 4% p.a.

Repayment

Loan is to be repaid in quarterly instalments within 48 months (including the moratorium period of six months on the recovery of principal).

CHAPTER – II

RESEARCH METHODOLOGY

Other Backward Class (OBC) is a collective term used by the Government of India to classify castes which are socially and educationally disadvantaged. It is one of several official classifications of the population of India, along with Scheduled Castes and Scheduled Tribes (SCs and STs). The OBCs were found to comprise 52% of the country's population by the Mandal Commission report of 1980, a figure which had been estimated to 41% by 2006 when the National Sample Survey Organisation took place. In the Indian Constitution, OBCs are described as "socially and educationally backward classes", and the Government of India is enjoined to ensure their social and educational development. For example, the eligible OBCs are entitled to 27% reservations in public sector employment and higher education.

Until 1985, the affairs of the Backward Classes were looked after by the Backward Classes Cell in the Ministry of Home Affairs. A separate Ministry of Welfare was established in 1985 (renamed in 1998 to the Ministry of Social Justice and Empowerment) to attend to matters relating to Scheduled Castes, Scheduled Tribes and OBCs. The Backward Classes Division of the Ministry looks after the policy, planning and implementation of programmes relating to social and economic empowerment of OBCs, and matters relating to two institutions set up for the welfare of OBCs, the National Backward Classes Finance and Development Corporation and the [National Commission for Backward Classes]

Financial assistance plays a significant role in economic development of the life of backward classes which ultimately leads them to empowerment process. Empowerment indicates the economic, education, political, social, cultural, psychological and environmental development of an individual or a group. Individual empowerment brings the development of the whole community. For this purpose, the Government of India allots funds for socio-economic development activities of backward class families. Here the Himachal Pradesh Backward Class Economic Development Corporation, Kangra, has implemented various welfare schemes with the support of national backward classes finance and development corporation, New Delhi for the benefit of these people.

This evaluation study is an attempt to examine the various term loan and microfinance schemes of HBCFDC and to reveal the perceived impact and empowerment process among the backward classes in selected districts of Himachal Pradesh. The findings of the study will be of immense use to the planners, policy makers, NBCFDC and HBCFDC officials and researchers to design plans and execute suitable strategies for the weaker sections in the society.

NEED AND SIGNIFICANCE OF THE STUDY

The main objective of the study is to evaluate the socio-economic impact of the NBCFDC schemes on the lives of beneficiaries. For achieving the objectives the research team collected the list of beneficiaries from Himachal Pradesh Backward Classes Finance & Development Corporation (HBCFDC), Kangra. With the help of the list of beneficiaries the research team approached the beneficiaries directly.

Statement of the Problem

In India, NBCFDC is taking care to promote economic and development activities for the benefit of backward classes and it implements schemes such as economic assistance to help individuals and Self Help Groups to start entrepreneurial activities, skill development training etc. Hence, the cost and benefit will be a measurable one. In this juncture, it is essential to find the answers for the following questions:

1. Whether the beneficiaries have improved their socio-economic status after availing themselves the financial assistance?
2. What is the level of impact perceived by beneficiaries through NBCFDC schemes?

To obtain the answer for the above research questions, a study has been conducted by Dr Ambedkar Chair, Central University of Himachal Pradesh on behalf of NBCFDC for beneficiaries assisted in Himachal Pradesh in the year 2013 -14 to 2016-17 by Himachal Pradesh Backward Class Economic Development Corporation (HBCFDC).

Objectives of the study

The purpose of the study is to evaluate the Socio-economic Impact of the NBCFDC schemes on the lives of beneficiaries in Himachal Pradesh. Through the current research,

finding answers to the following objectives is useful for better understanding. The major objectives of the present study are as follows:

- ❖ To identify the percentage of beneficiaries who utilized the assistance from the SCAs under different schemes of NBCFDC for the intended purpose.
- ❖ To understand the percentage of beneficiaries who have crossed the poverty line and double poverty line after availing the loan.
- ❖ To examine the socio economic impact of NBCFDC schemes
- ❖ To know the performance of Himachal Pradesh Backward Classes Finance & Development Corporation (HBCFDC) based on feedback of beneficiaries regarding the various aspects relating to business of HBCFDC.
- ❖ To propose suggestions and recommendations for improvements in the delivery mechanism and also for loan recovery performance.

Research Design

Research design enables researchers to answer research questions as validly, objectively, accurately and economically as possible. There are four natures of design commonly applied by empirical studies: case studies, field studies, field tests (quasi-experimental), and laboratory studies (experimental). As per the proposed individual variables in the study a field study in a real setting appears most appropriate for this research.

Sources of Data

Primary data

When collecting data and information for investigation the research objectives, the interview schedule was used as the primary data tool. This is because of the intricate nature of the research area.

Secondary data

The names and addresses of the beneficiaries were collected from the office of the State Channelizing Agency at the Head Office at Kangra.

Data collection method

There are mainly four data collection methods for research in social science: interview, questionnaire, observations, and document inspection. The choice of method primarily depends on the nature of the research project. For this study self-administered interview schedule was adopted as the method. This study was conducted in the selected districts in Himachal Pradesh.

Population and sampling

Unit of analysis

Unit of analysis refers to the primary empirical object, individual or group that a researcher wants to study. For this study, the unit of analysis is beneficiaries in the selected districts of Himachal Pradesh, who have availed the loan under any schemes from SCAs of NBCFDC namely HBCFDC.

Population

The population of interest of this study is NBCFDC beneficiaries in Himachal Pradesh. The population of the study is defined from the utilization certificate submitted by SCAs to HBCFDC. Thus, it can be deduced that in Himachal Pradesh there were about 2740 beneficiaries who obtained loan from HBCFDC. Hence it was decided to select roughly 25 percentage of the population for performing the evaluation study.

Sampling area or Zone wise assessment of beneficiaries in Himachal Pradesh

The total Himachal Pradesh is divided into administrative units. These administrative units of Himachal Pradesh are classified on the basis of district. There are 12 districts in Himachal Pradesh for revenue administration purposes. The main objective of the study is inspection of beneficiaries and evaluation of HBCFDC schemes in the state of Himachal Pradesh. The sampling area of study is selected district- wise.

Selection of Districts

For the purpose of the study, the research team made a preliminary discussion with the DGM, HBCFDC at Kangra. The HBCFDC sanctions loans to the beneficiaries through a number of nationalized banks namely PNB, SBI, UCO Bank, Syndicate Bank and Kangra Cooperative Bank Ltd. So the research team decided to approach the beneficiaries through the HBCFDC channel. For administrative reason the state of Himachal Pradesh is divided into 12 districts as mentioned above. Hence it was decided to select 5 districts randomly from

the 10 districts. Based on random selection the following districts namely Kangra, Hamirpur, Mandi, Sirmour and Una were selected.

Sampling Technique

For the study multistage random sampling method was used for collecting the necessary primary data. Initially out of twelve revenue districts 10 districts were to be selected. But due to some changes and justifiable reasons, the details of which will be explained later, it was decided to confine our study to five districts of Himachal Pradesh. So a sample of 700 respondents was collected from these five districts of Himachal Pradesh to do inspection of beneficiaries and to evaluate the NBCFDC schemes.

Sample Size:

As per the original scheme the total sample of 900 beneficiaries was to be randomly selected from the 10 districts of Himachal Pradesh. The number of beneficiaries from each selected district of the population was supposed to be finalized scheme- wise after consulting the SCAs and then it was soon to be sent to NBCFDC.

The distribution of respondents district-wise as per the original scheme is presented below:

Table 1. Distribution of Respondents

Sr.No.	Name of the District	No. of Respondents	Percentage of Beneficiaries
1	Kangra	500	55%
2	Sirmor	80	6.86
3	Mandi	50	3.89
4	Hamirpur	80	7.83
5	Solan	60	4.25
6	Una	30	1.5%
7	Shimla	40	2.25
8	Chamba	20	1.29
9	Kullu	10	0.62
10	Bilaspur	30	2.17

But due to some changes and exigencies in the course of the study we had to make some modifications in the original sample size. It needs to be emphasized here that we visited the HBCFDC office, Kangra in the month of May, 2017 for field-data collection and this office provided us with the data regarding the number of loan recipients in different districts of Himachal Pradesh. But due to some delay in the project, it could be operational only in the month of February, 2018 with the release of fund on 31st January, 2018. We also found that by then the entire scene of May, 2017 had changed drastically. The number of loan recipients had come down and the Department of NBCFDC sanctioned a sample of 700. With the approval and after discussions with NBCFDC, New Delhi and HBCFDC, Kangra, we even included the loan recipients who had already paid back their loans recently along with those who had not done so. This made us change our total sample size as well as district-wise sample size altogether. Our problems got multiplied as in some of the districts like Shimla, the respondents had changed their addresses and were not available. There were other difficulties also which could be listed as follow:

- i) Some had passed away and the entire family had already shifted;
- ii) Some others had changed their addresses;
- iii) Still some others had paid back their loans and were not available;
and
- iv) Some others who hesitated, due to some unknown reasons, to cooperate with the investigators.

Consequently, we could not include rest of the districts of Himachal Pradesh where loan recipients number was already there. It also needs to be emphasized here that in the revised sample size we have included 632 respondents from Kangra district. The reason for including such a large number of respondents from kangra is due to the fact that Kangra is the largest district of the state having maximum number of OBC population.

The sample size refers to the number of respondents needed in order to get the results that reflect the population as precisely as possible. Based on the following criteria namely 95% confidence level, 3% confidence interval (error margin) and known population characteristics, the required sample size for the study shall be $n = 700$. So based on the multi stage sampling technique a total of 700 respondents data was collected for the study. The number of beneficiaries (Sample size) selected for the study is 700 which includes General Term Loan (GTL) and Micro Finance (MF) categories

Table 2: Number of Beneficiaries (Respondents) under various Loan Schemes

Sr. No	Name of Loan Scheme	Sample Size
1.	General Term Loan	672
2.	Micro Finance Scheme	20
3.	New Swarnim Scheme	08

The number of beneficiaries under microfinance is less in sample because HBCFDC avails most loans under General term Loan as compared to Micro Finance scheme. According to the observations shared by respondents the loan procedure is much simpler and the amount of loan that can be availed under GTL is more in comparison to Micro Finance Scheme and New Swarnim Scheme.

Data Analysis

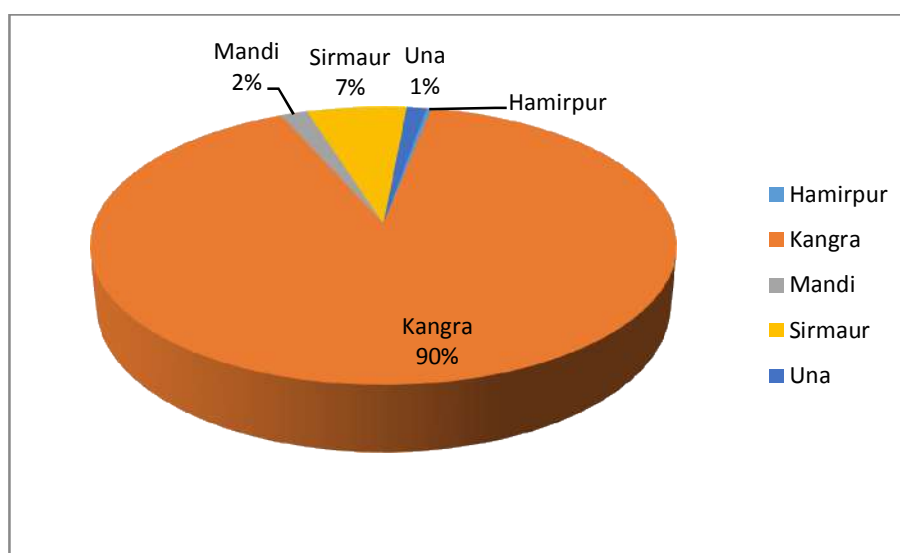
After collection of data, it was coded and tabulated. The analysis of data was done by percentages and drawing pie charts and bar graphs with the help of MS Office Excel.

CHAPTER-III: ANALYSIS AND INTERPRETATION OF DATA

After a random selection of 700 respondents of HBCFDC beneficiaries from five districts of Himachal Pradesh who have availed loans under different schemes the data have been analyzed and interpreted in this chapter.

Pie Chart 3.1 DISTRICTS WISE DISTRIBUTION OF RESPONDENTS

District	Number of Respondents	Percentage of Beneficiaries
Hamirpur	02	0.28%
Kangra	632	90.28%
Mandi	12	1.71%
Sirmaur	45	6.42%
Una	09	1.28%

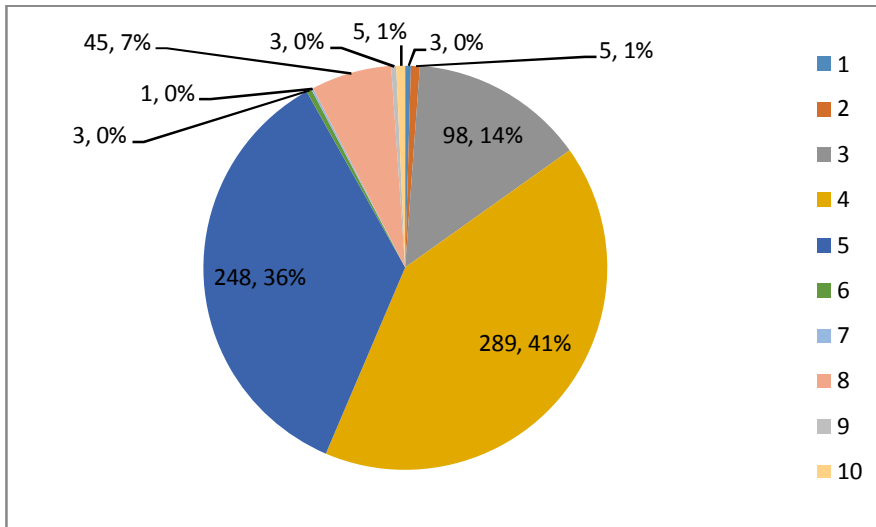


Interpretation: The above data revealed that 90% of loan beneficiaries belonged to the district of Kangra. While 7% respondents belonged to Sirmaur, only 12 respondents were from Mandi district. Apart from this there were 9 beneficiaries who belonged to Una and only 2 beneficiaries were from Hamirpur district.

Table 3.1: EDUCATIONAL PROFILE OF RESPONDENTS

Illiterate	3
Ability to Sign	5
Primary education	98
Secondary Education	289
Higher Secondary Education	248
Diploma	3
ITI	1
Graduate	45
Postgraduate	3
Others	5

Pie Chart 3.2 Education Status of Respondents



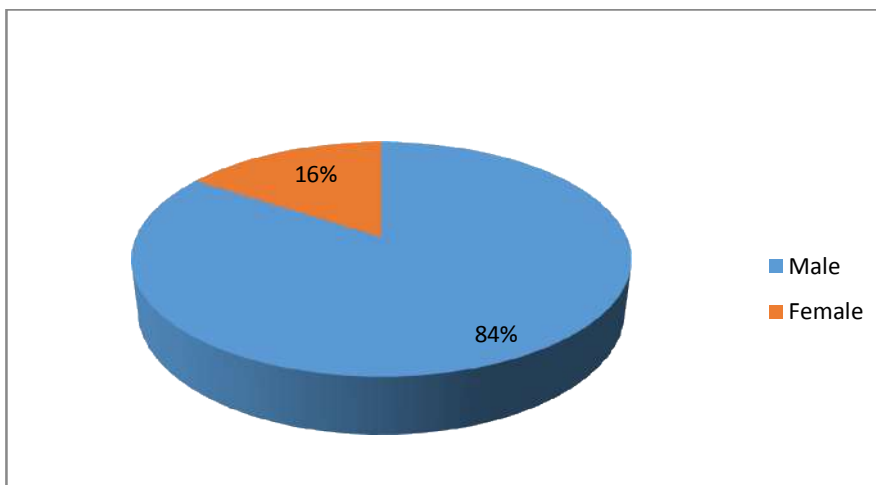
Interpretation: Majority of the respondents (41%) had attained secondary level education, 36 % had studied till higher secondary levels while 14 % respondents had primary level education. 1 % respondents possessed the ability to sign while the remaining were either graduates, post graduates or diploma holders .

Table 3.2: GENDER WISE DISTRIBUTION

Male	Female
590	110

Interpretation: Out of the total number of 700 respondents, 590 (84.28%) were male beneficiaries, the women beneficiaries are only 110 (15.72%).

Pie Chart 3.3: Gender of the Respondents

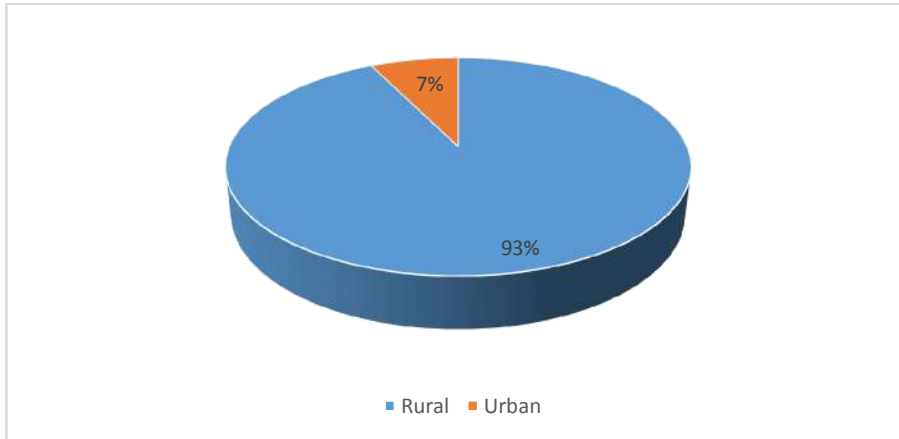


Interpretation: Out of total 700 respondents, 84% were males and 16% were female beneficiaries.

Table 3.3- PLACE OF RESIDENCE

Rural	Urban
647	53

Pie Chart 3.4: Residence

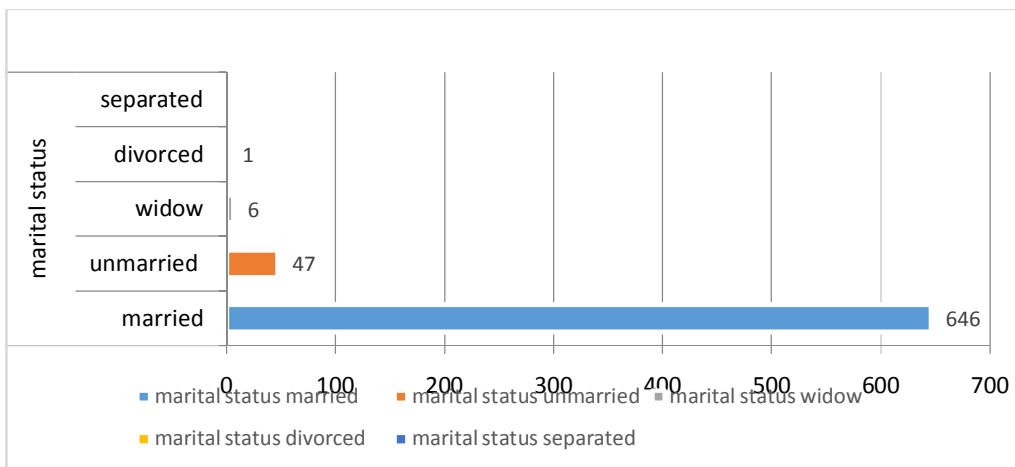


Interpretation: 93% of the loan beneficiaries were from rural area while 7% resided in urban area.

Table 3.4: MARITAL STATUS

Married	Unmarried	Widow	Divorcee
646	47	6	1

Bar Chart 3.1: Marital Status of Respondents

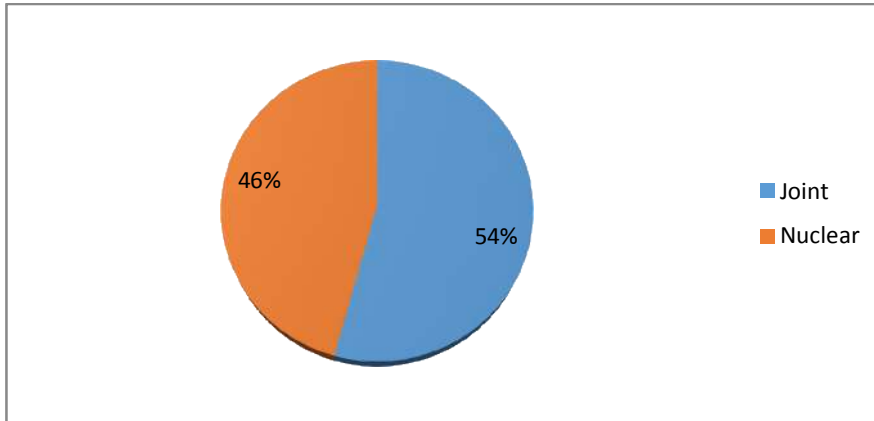


Interpretation: As per the data received for marital status, it was found that 92% of the total respondents were married people, constituting, 7% were unmarried, 1% were widows and 1 of the respondent was a divorcee.

Table 3.5: NATURE OF THE FAMILY

Joint	Nuclear
380	320

Pie Chart 3.5: Type of family

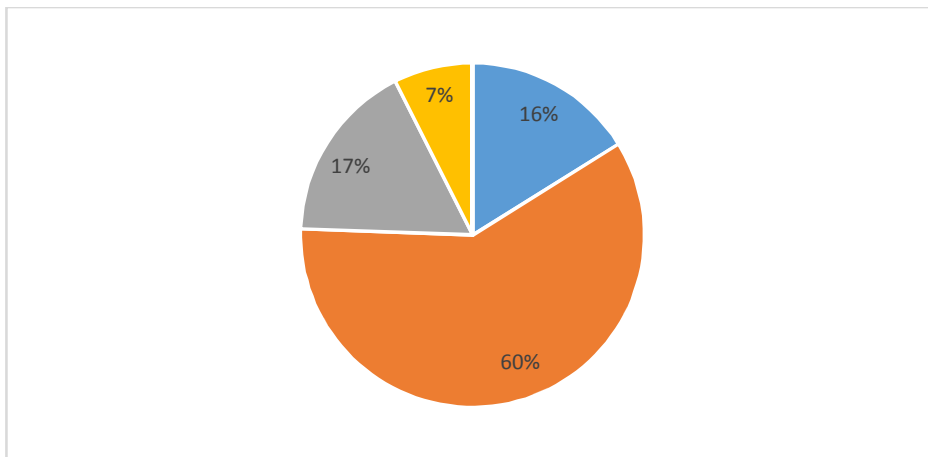


Interpretation: While 54% of the total respondents were living in joint families, 46% had nuclear families.

Table 3.6: SIZE OF THE FAMILY

≤3 members	4to5 members	5to6 members	> 6 members
113	416	119	52

Pie Chart 3.6: Size of the family

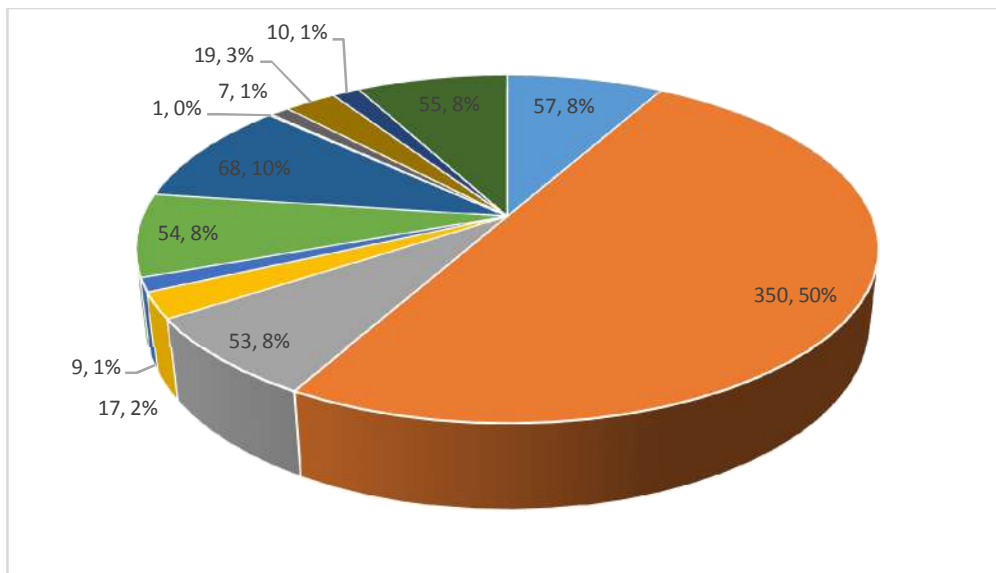


Interpretation: Whopping 59% respondents belonged to families constituting 4-5 members. 17% respondents belonged to families having 5-6 members 16% respondents hailed from small families of up to 3 members while 8% respondents had families with more than 6 members.

Table 3.7: OCCUPATION OF RESPONDENTS

Farmer	57
Businessman	350
Skilled worker	53
Unskilled worker	17
Unemployed	9
Housewife	54
Driver	68
Asha worker	1
Beekeeper	7
Private job	19
Student	10
Not mentioned	55

Pie Chart 3.7: Occupation of Respondents



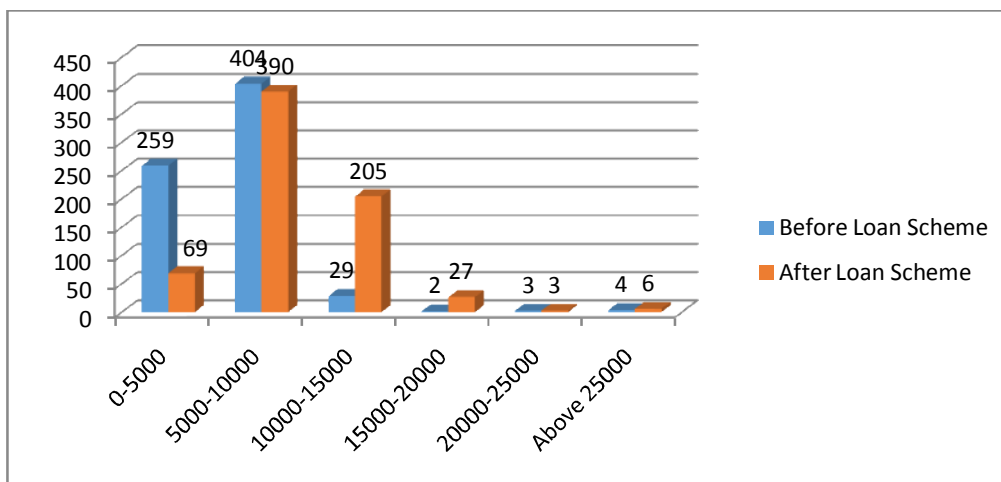
Interpretation: On studying the occupation of respondents, it was found that majority of loan beneficiaries were involved in business as 50% respondents were businessmen by occupation. Apart from this, 10% respondents were drivers, 8% were farmers and 1% of loan beneficiaries were beekeepers. 8% respondents were skilled workers while 2% respondents were from the unskilled workers category. 8% beneficiaries were housewives; 1% loan bearers were still unemployed. It is also found out that there was 1 beneficiary who was a ASHA worker while 3% beneficiaries worked in private jobs. Out of the total 700 respondents, 1% were students who had availed the loan for educational purpose. 8% respondents did not mention their occupation.

Table 3.8: MONTHLY INCOME OF HOUSEHOLD

	0-5000	5000-10000	10000-15000	15000-20000	20000-25000	Above 25000
Before Loan Scheme	259	403	29	2	3	4
After Loan Scheme	69	390	205	27	3	6

Interpretation: The table reveals that an increase in Income ranging from 10000-15000. It is observed in the report that as far as income is concerned, the range of average monthly income varied from Rs. 5,000 to Rs.25, 000 per month, after availing loan assistance.

Bar Chart 3.2: Monthly Income of household

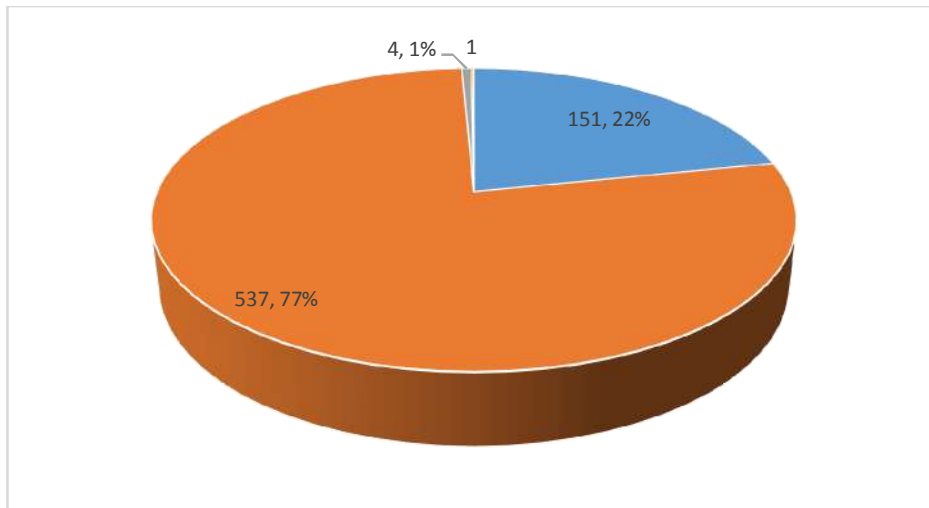


Interpretation: The results of the study revealed that the monthly income of people increased after availing loan. Before availing loan there were 259 people who had monthly income below Rs.5000 and after availing loan the number decreased to 69. However the increase in the income ranges of 10000-15000 and above indicates that there is a marked improvement in the earnings of the respondent beneficiaries.

Table 3.9: ECONOMIC STATUS OF RESPONDENTS WHEN APPLIED FOR LOAN

BPL	above BPL	DPL	above DPL
153	539	6	2

Pie Chart 3.8: Economic Status of Respondents



Interpretation: The results show that 153 respondents were below poverty line (BPL) when they had applied for the loan, while 539 were above BPL. 6 respondents were at DPL (double poverty line) and 2 were at above DPL when they applied for the loan.

Table 3.9: Economic Status of people before and after loan

Sr. No.	Economic Status	Before Loan		After Loan	
		Beneficiaries	Percentage	Beneficiaries	Percentage
1	below BPL	153	21.85	128	18.28
2	Above BPL to below DPL	547	74.14	571	80.72
3	DPL & Above	Nil	Nil	7	1.00
	Total	700	100	700	

From the above table the following analysis about the beneficiaries that have crossed the poverty line is as follows.

Before Loan	No of beneficiaries crossed BPL & DPL After Loan	Percentage, who have crossed the BPL /DPL
153	25	16.34%
547	7	1.27%
Total 700	32	4.57%

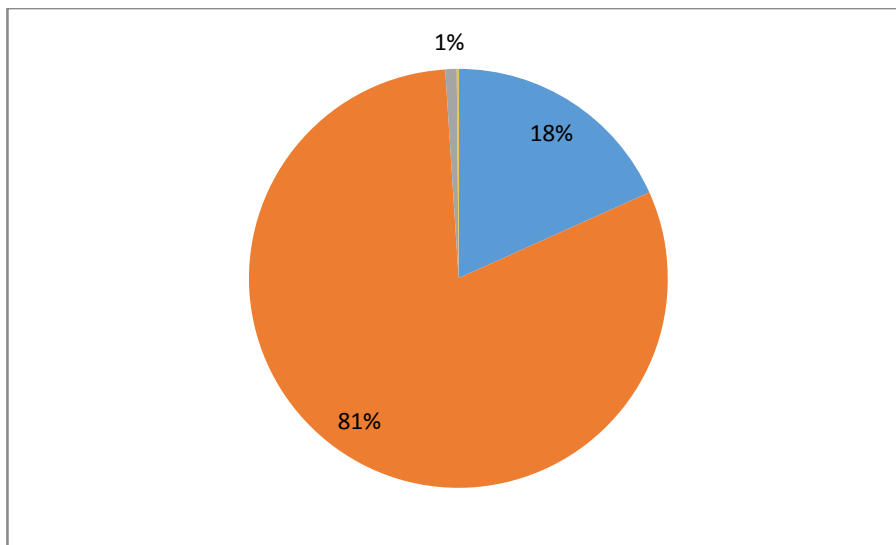
Interpretation: From the Table, it is found that 74.14% of beneficiaries are in the status of double below poverty line and 21.85% of beneficiaries are in below poverty line before getting loan. It is further identified that after the loan was availed, 16.34 % of respondents have crossed below poverty line, 1.27% of respondents have crossed double below poverty line and overall 4.57% of respondents have crossed BPL/DPL status.

Hence it is concluded that for 16.33% no. (25nos) of beneficiaries, the economic status changed from below BPL to below DBPL and for 1.27%% (7 no) beneficiary, the economic status changed from below DBPL to Above DBPL. About 18.28 % no. of beneficiaries are still in BPL after the loan availed. However, over all progress is found about 4.57% beneficiaries have been benefitted after availing the loan.

Table 3.10: ECONOMIC STATUS OF RESPONDENTS AFTER GETTING LOAN

BPL	above BPL	DPL	above DPL
128	565	6	1

Pie Chart 3.9: Economic Status of respondents

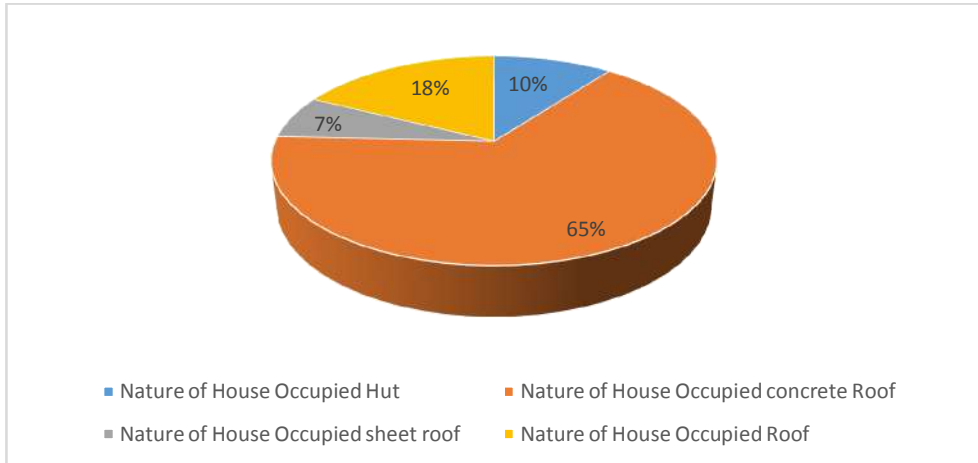


Interpretation: After disbursement of the loan, the economic status of loan beneficiaries improved and the number of beneficiaries below poverty line (BPL) decreased to 128 from 153 after loan disbursement.

Table 3.11 NATURE OF HOUSES OF RESPONDENTS

Hut	Concrete Roof	Sheet roof	Roof
74	454	48	124

Pie Chart 3.10: Type of house of respondents

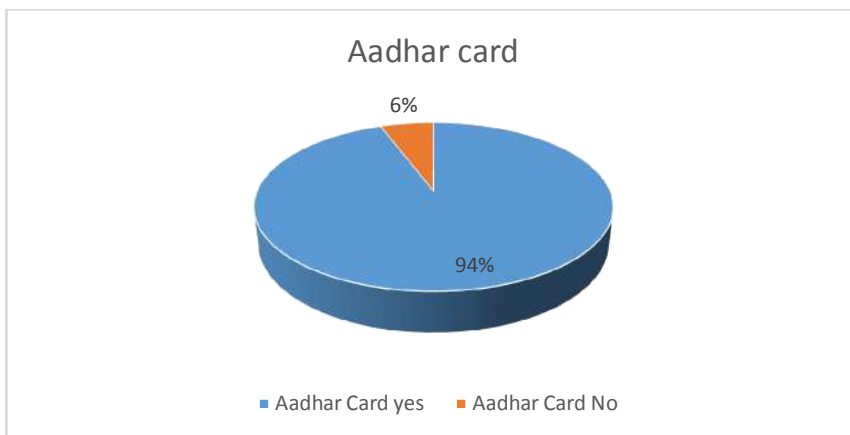


Interpretation: Among the total number of respondents 65% of them had houses with concrete roof, 18% lived in houses with a roof and 7% lived in houses with sheet roofs. 10% of beneficiaries still lived in a hut.

Table 3.12: AADHAR CARD STATUS OF BENEFICIARIES

Aadhar Card	
yes	No
660	40

Pie Chart 3.11: Aadhar card status of beneficiaries

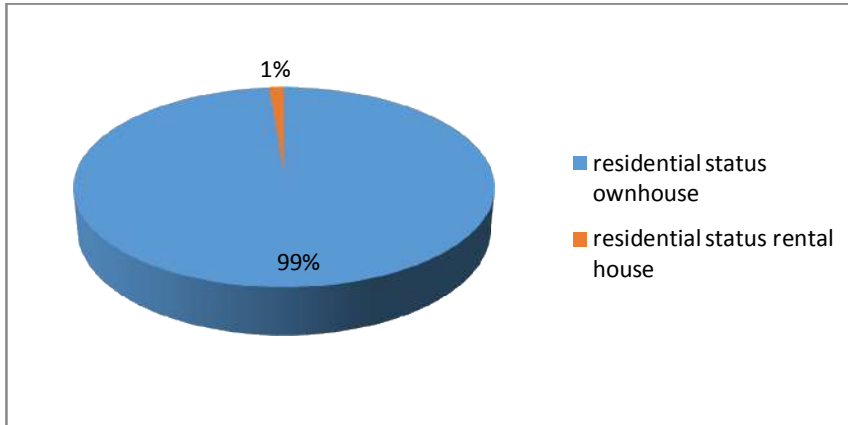


Interpretation: Among the total respondents 94% beneficiaries had Aadhar card and 6% of them did not share their Aadhar Card details.

Table 3.13: RESIDENTIAL STATUS OF RESPONDENTS

Own house	Rental house
690	10

Pie Chart 3.11: RESIDENTIAL STATUS OF RESPONDENTS

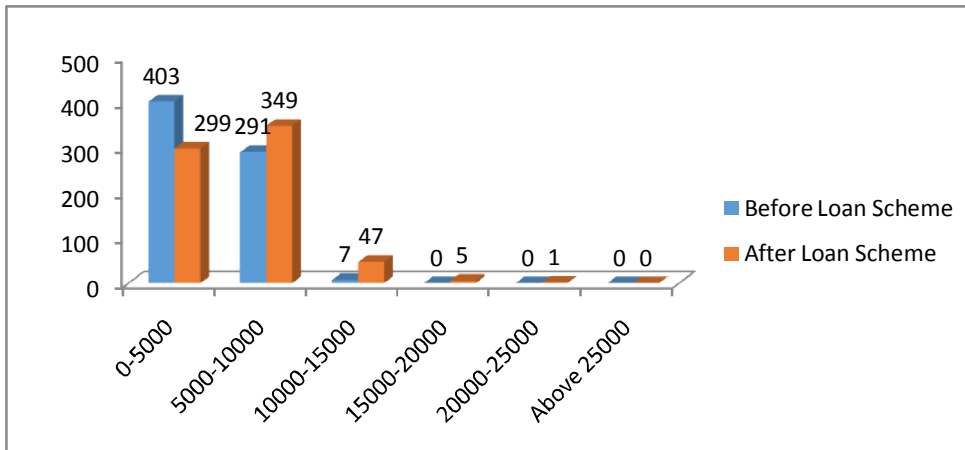


Interpretation: Out of total 700 respondents, 99% of beneficiaries had their own houses and only 1% of beneficiaries lived in rented accommodation.

Table 3.14: MONTHLY EXPENDITUE OF HOUSEHOLD

	0-5000	5000-10000	10000-15000	15000-20000	20000-25000	Total
Before Loan Scheme	402	291	7	0	0	700
After Loan Scheme	298	349	47	5	1	700

Bar Chart 3.3: MONTHLY EXPENDITUE OF HOUSEHOLD

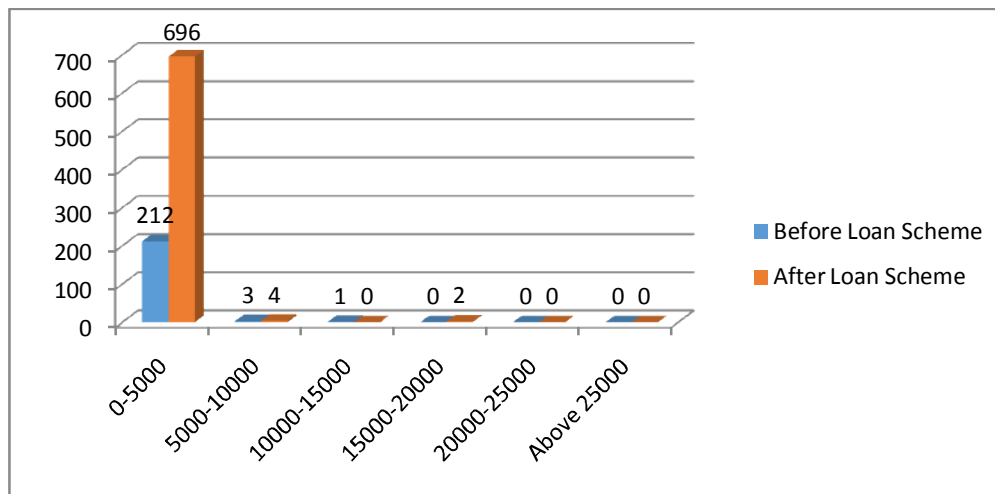


Interpretation: The results above show that there has been an upward increase in the monthly expenditure of the beneficiaries. With improvement in income after loan their monthly expenditure have also increased. On the basis of data collected , It can be inferred that after getting financial assistance in terms of loan the lifestyle of beneficiaries has improved.

Table 3.15: Household Savings Before and After loan Scheme

	0-5000	5000-10000	10000-15000	15000-20000	20000-25000	Above 25000	Total
Before Loan Scheme	212	3	1	0	0	0	216
After Loan Scheme	694	4	0	2	0	0	700

Bar Chart 3.4: Household Savings Before And After loan Scheme

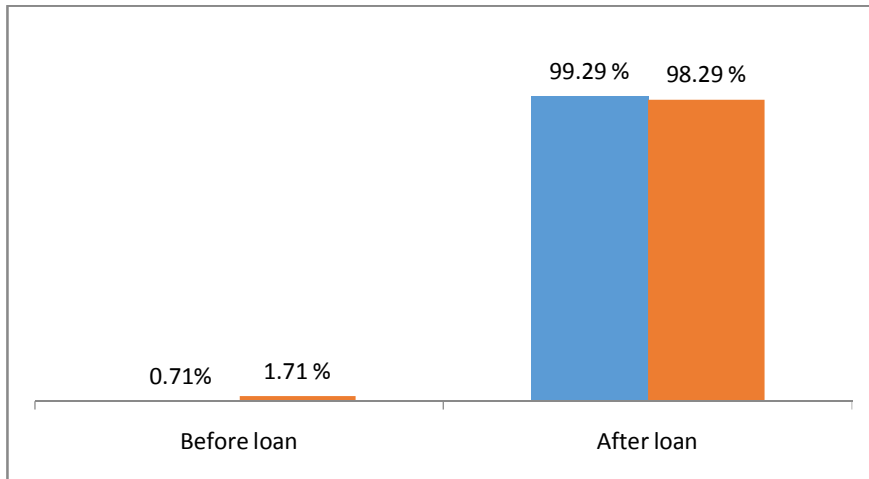


Interpretation: The results show that household savings of the beneficiaries have increased after availing loan. Approximately 99 % respondents reported monthly saving of less than Rs. 5000 which means that they are making small savings. Interestingly 0.57% respondents were able to save between Rs.5000-10000 and 0.28% reported savings of more than Rs.15,000.

Table 3.16: House Hold Debt Before and After Loan

Loan	Yes	No
Before Loan Scheme	5	695
After Loan Scheme	12	688

Bar Chart 3.5: House Hold Debt Before And After Loan

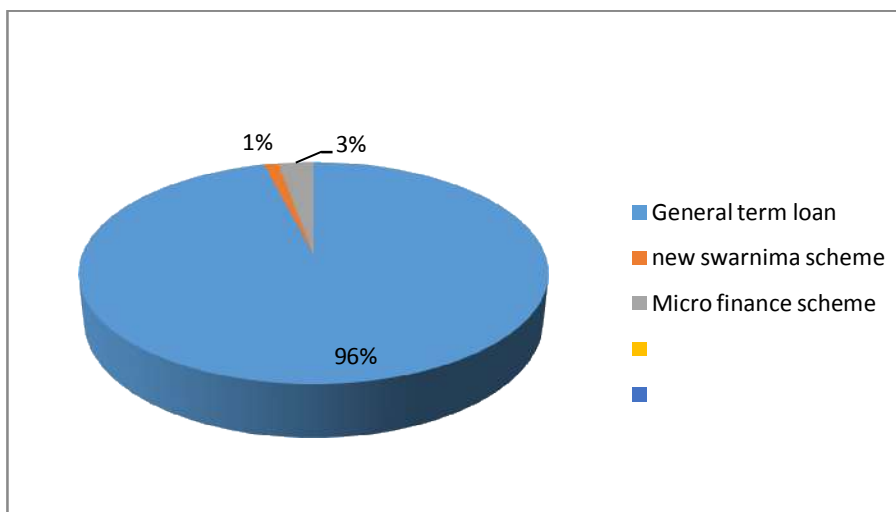


Interpretation: The results of the study reveal that that household debt of few loan beneficiaries increased after availing loan. The reason may be that certain beneficiaries had died, their business had failed and some had used it for meeting their personal expenses.

Table 3.17: SCHEMES UNDER WHICH FINANCIAL ASSISTENCE OBTAINED

General term loan	New Swarnima scheme	Micro finance scheme
672	8	20

Pie Chart 3.12: SCHEMES UNDER WHICH FINANCIAL ASSISTENCE OBTAINED

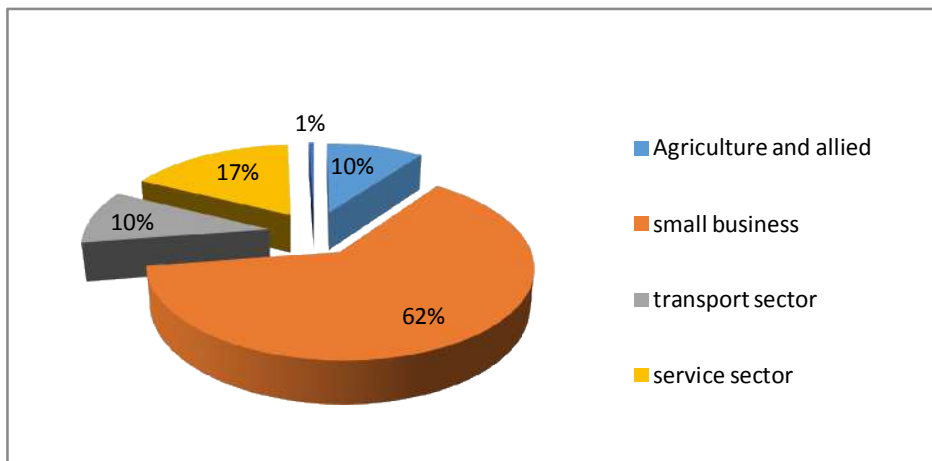


Interpretation: After disbursement of the loan, it was that out of total 700 respondents, 96% of the beneficiaries opted general term loan, 1% beneficiaries opted for New Swarnim loan and 3% beneficiaries opted micro finance loan.

Table 3.18: ACTIVITY FOR WHICH LOAN AVAILED

Agriculture and allied	Small Business	Transport Sector	Service sector	Technical and Professional Traders
70	438	69	119	4

Pie Chart 3.13: NATURE OF ACTIVITY FOR WHICH LOAN AVAILED



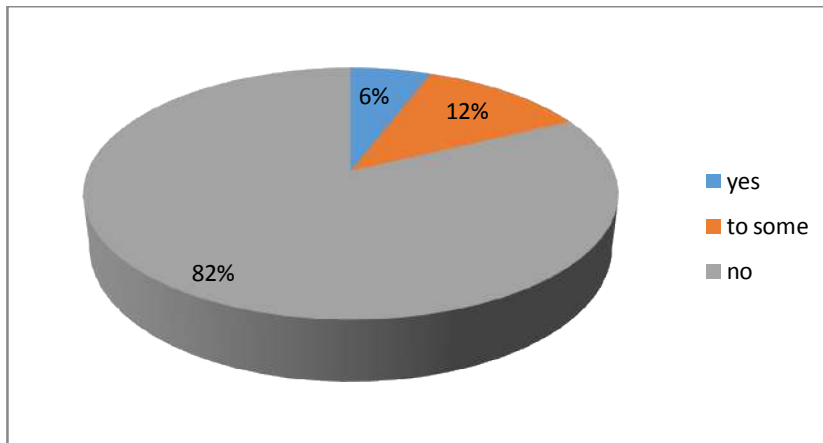
Interpretation: Of the total respondents 64% availed the loan for small business, while 16% availed it for service sector. For agriculture and allied only 10% people availed the loan and 10% availed the loan for transport sector.

Table 3.19: DIFFICULTIES IN GETTING INCOME/CASTE CERTIFICATE FROM LOCAL AUTHORITY

Yes	Faced some difficulty	no
46	85	569

Interpretation: Table 3.19 reveals that out of total 700 respondents, 82% beneficiaries reported that they faced no difficulty in getting income and caste certificate from local authority, 12% beneficiaries faced some difficulties while 6% beneficiaries reported that they faced considerable difficulty for getting certificate from local authority. This appears to be a satisfactory state of affair.

Pie Chart 3.14: DIFFICULTIES IN GETTING INCOME/CASTE CERTIFICATE FROM LOCAL AUTHORITY



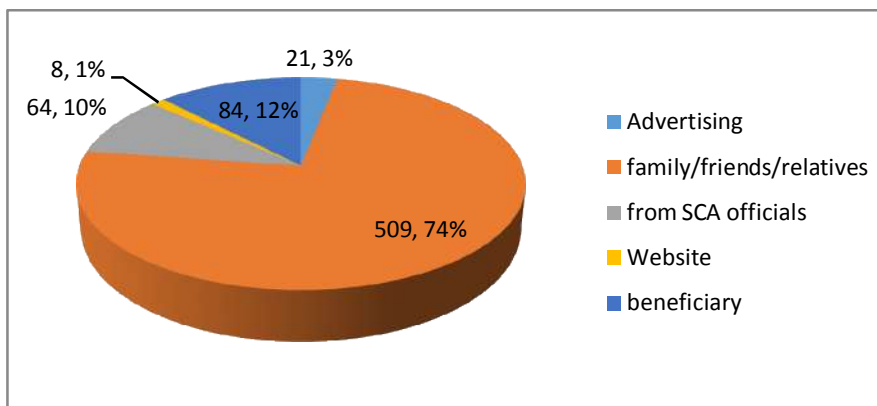
Interpretation: Out of total 700 respondents, 82% beneficiaries reported that they faced no difficulty in getting income and caste certificate from local authority, 12% beneficiaries faced some difficulties while 6% beneficiaries reported that they faced considerable difficulty for getting certificate from local authority. Those who faced some difficulty cited that sometimes revenue officials delayed the process.

Table 3.20: AWARENESS SOURCE OF NBCFDC SCHEME

		SCA officials	Website	beneficiary
Advertising	family/friends/relatives	68	8	84

Interpretation: Out of total 700 beneficiaries 74% respondents came to know of NBCFDC current scheme from their family, friends and relatives, 12% came to know about the schemes from other beneficiaries, 10% said they received the information from SCA officials. 3% got the information about the scheme through advertising and 1% through website.

Pie Chart 3.15: AWARENESS SOURCE OF NBCFDC SCHEME

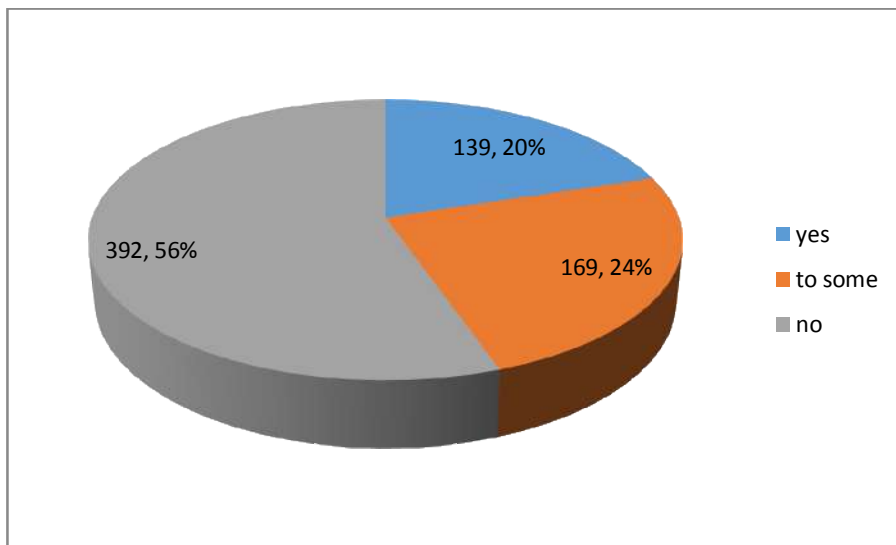


Interpretation: Out of total 700 beneficiaries 74% respondents came to know of NBCFDC current scheme from their family, friends and relatives, 12% came to know about the schemes from other beneficiaries, 10 % said they received the information from SCA officials. 3% got the information about the scheme through advertising. It was also observed that big hoardings were a significant source of awareness about the various schemes of NBCFDC. Significantly, 1% people said they got the information from website which indicates that in future as the information literacy will .

Table 3.21: AWARENESS ABOUT OTHER SCHEMES OF NBCFDC

Yes	Some	No
139	169	392

Pie Chart 3.16: AWARENESS ABOUT OTHER SCHEMES OF NBCFDC

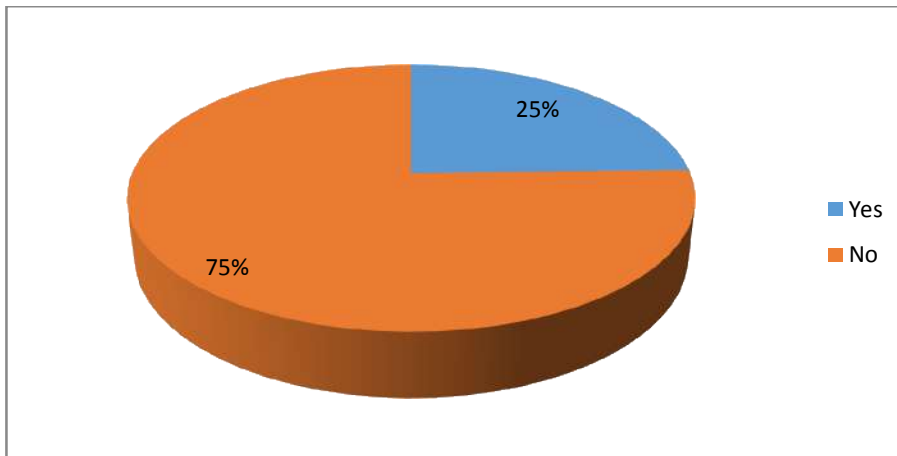


Interpretation: The results revealed that 56% beneficiaries were not aware of other schemes of NBCFDC. 24 % respondents had information about some of the schemes while 20 % respondents claimed that they were fully aware of all the other schemes of NBCFDC.

Table 3.22: AWARENESS OF UNIT COST AND PATTERN OF ASSISTANCE UNDER THE NBCFDC SCHEME

Yes	No
175	525

Pie Chart 3.17: AWARENESS OF UNIT COST AND PATTERN OF ASSISTANCE UNDER THE NBCFDC SCHEME



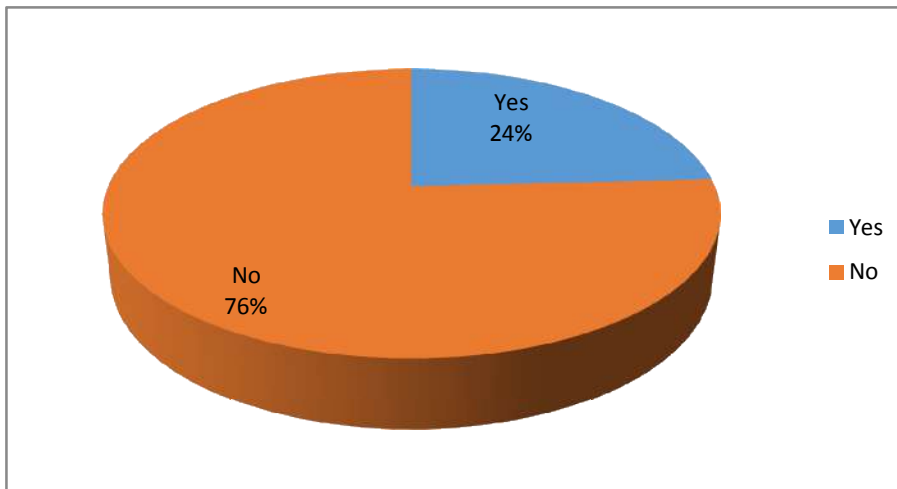
Interpretation: 75% of the respondents were aware of unit cost and pattern of assistance under the NBCFDC scheme, while 25% were not aware of unit cost and pattern of assistance.

Table 3.23: FACED BY RESPONDENTS FACED ANY DIFFICULTIES IN GETTING LOAN

Yes	No
173	527

Interpretation: About 76% of beneficiaries informed that they did not face difficulties, while only 24% of the beneficiaries faced difficulties in getting loan, due to lack of complete information about loan, which causing inconvenience to the borrowers as they had to visit a number of times to the office for completion of formalities.

Pie Chart 3.18:

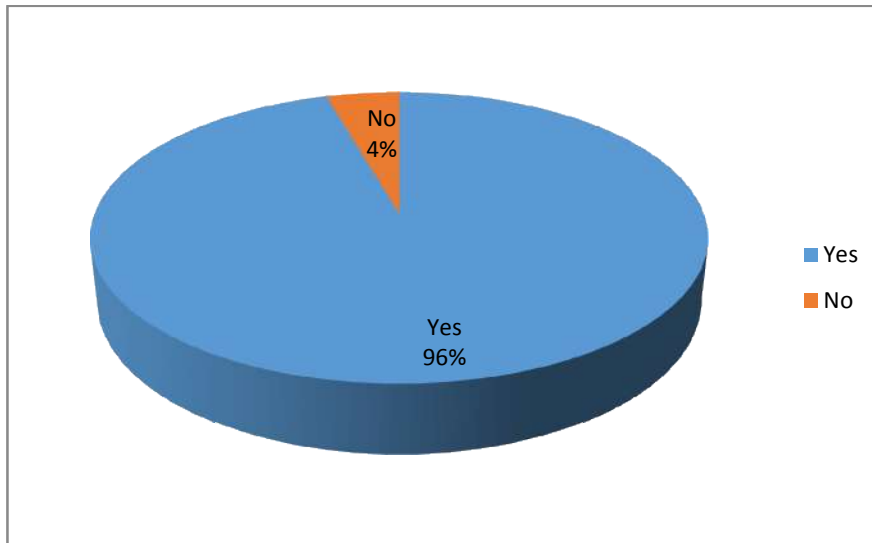


Interpretation: 76% respondents said that they did not face difficulties, while only 24% of the respondents faced difficulties in getting loan. The officials of HBCFDC did not give complete information about the loan. The borrowers faced inconvenience as they had to come a number of times to the office for completion of formalities. They also cited that the number of formalities was cumbersome.

Table 3.24: UTILIZATION BY RESPONDENTS

Yes	No
655	45

Pie Chart 3.19: UTILIZATION BY RESPONDENTS



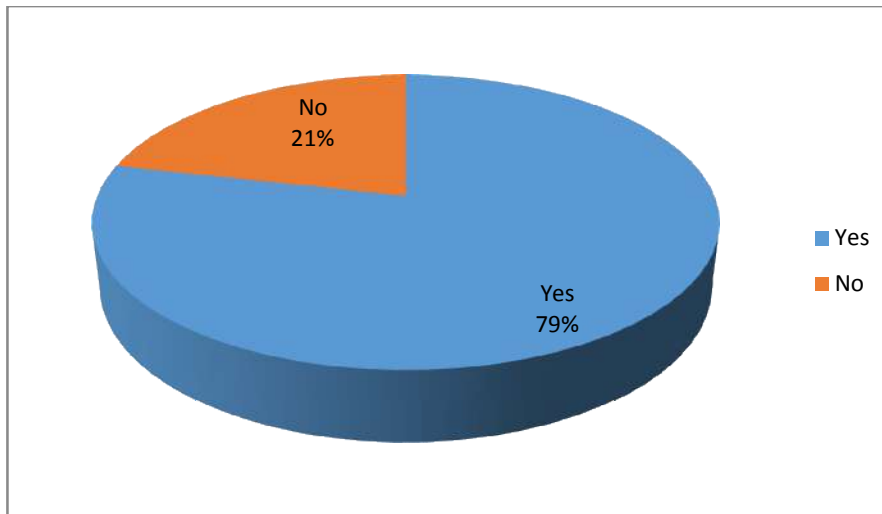
Interpretation: 96% of the respondents utilised the loan for the intended purpose and 4% of the respondents did not utilise the loan for the intended purpose. For instance the respondents who were into beekeeping reported that in winters they had to go other states for pollination and it escalated their input costs and the corresponding returns were not lucrative enough. Some of the respondents utilized the loan for some other purposes like construction of house, purchase of car etc.

Table 3.25: ADEQUACY OF LOAN AMOUNT

Yes	No
545	155

Interpretation: About 79% (545 nos.) of the beneficiaries considered the loan amount to be sufficient.

Pie Chart 3.20: ADEQUACY OF LOAN AMOUNT



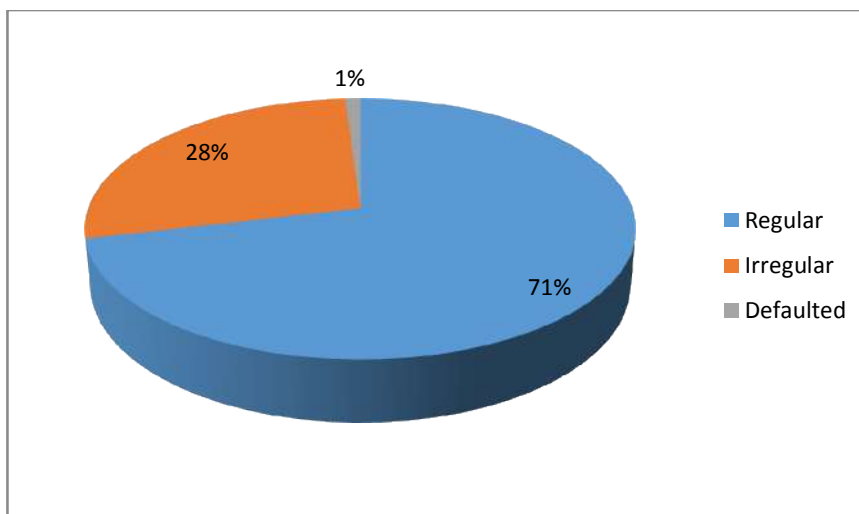
Interpretation: 79% of the respondents **considered** the loan amount to be sufficient according to their need/capacity, rest of 21% beneficiaries said that loan amount was insufficient to meet their need. Most of the respondents reported that they were not disbursed the full loan amount.

Table 3.26: STATUS OF LOAN REPAYMENT

Regular	Irregular	Defaulted
490	195	15

Interpretation: About 71% (490 nos.) of the beneficiaries have paid their instalment on regular basis, and 25% were irregular in repaying their loan and there were 15 no. of cases were defaulters.

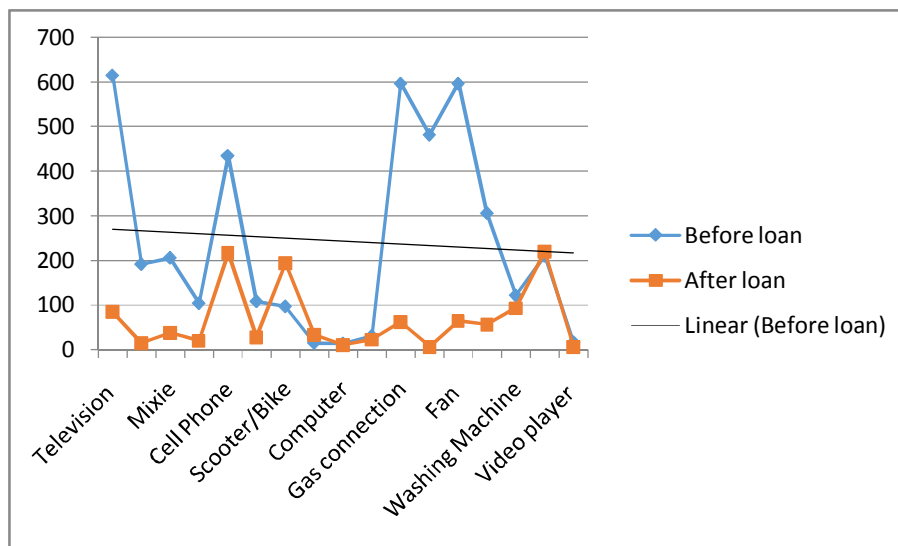
Pie Chart 3.21: STATUS OF LOAN REPAYMENT



Interpretation: It was found that 71% loan beneficiaries paid their instalment on regular basis, and 25% were irregular in repaying their loan and there were 15 cases of defaulters. Lack of training, frauds like the loans taken by others on behalf of beneficiary, deaths were the causes of default.

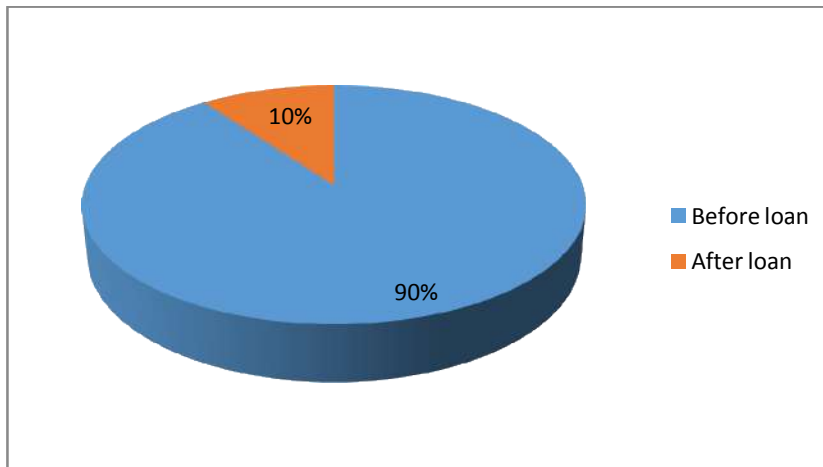
Table 3.27: ACQUISTION OF DURABLES BY LOAN BENEFICIARY RESPONDENTS

Item Purchased	Before loan	After loan
Television	615	85
Radio	192	15
Mixie	206	38
Grinder	104	21
Cell Phone	435	217
Cycle	108	29
Scooter/Bike	97	194
Car	15	34
Computer	14	11
Telephone connection	31	23
Gas connection	597	62
Iron Box	482	7
Fan	597	65
Sewing machine	306	57
Washing Machine	122	94
Refrigerator	211	220
Video player	17	7

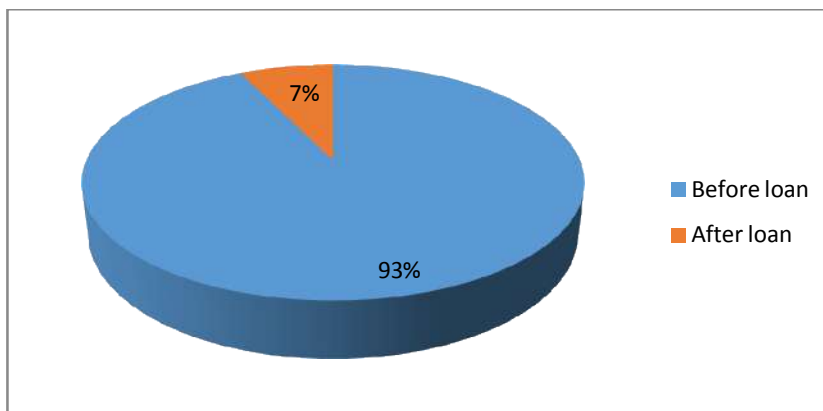


Interpretation: The results reveal that the 194 beneficiary respondents bought items like scooter, 220 respondents bought refrigerator after availing loan.

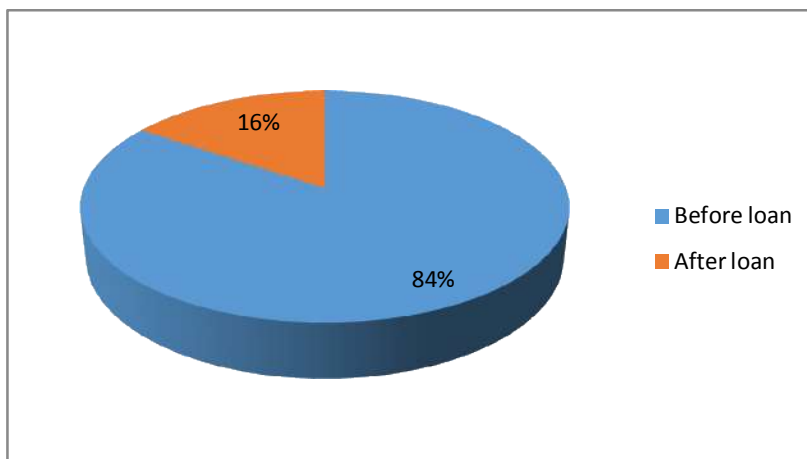
Pie Chart 3.22: Television purchased



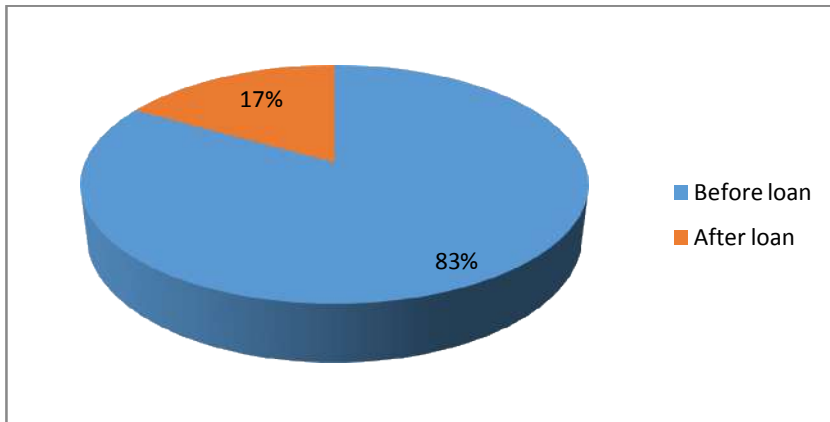
Pie Chart 3.23: RADIO purchased



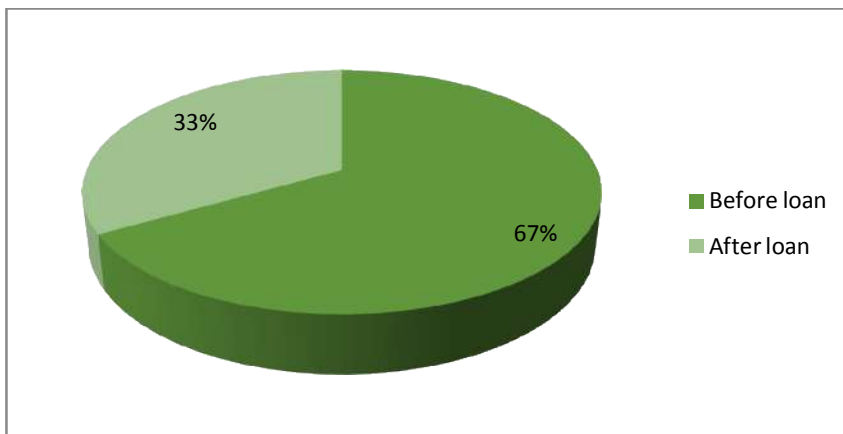
Pie Chart 3.24 MIXIE PURCHASED



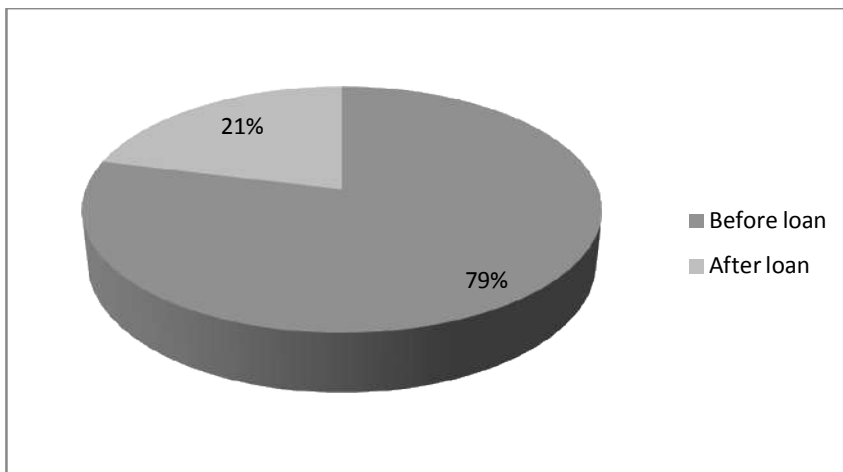
Pie Chart 3.25: GRINDER PURCHASED



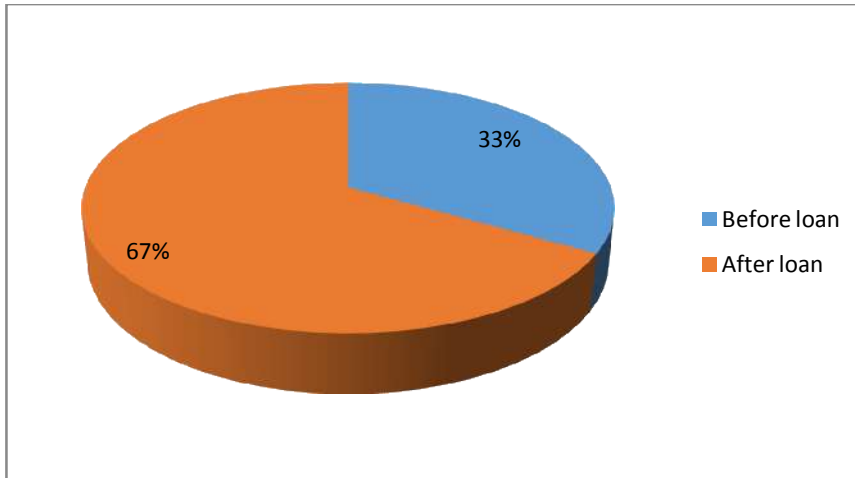
Pie Chart 3.26: CELL PHONE PURCHASED



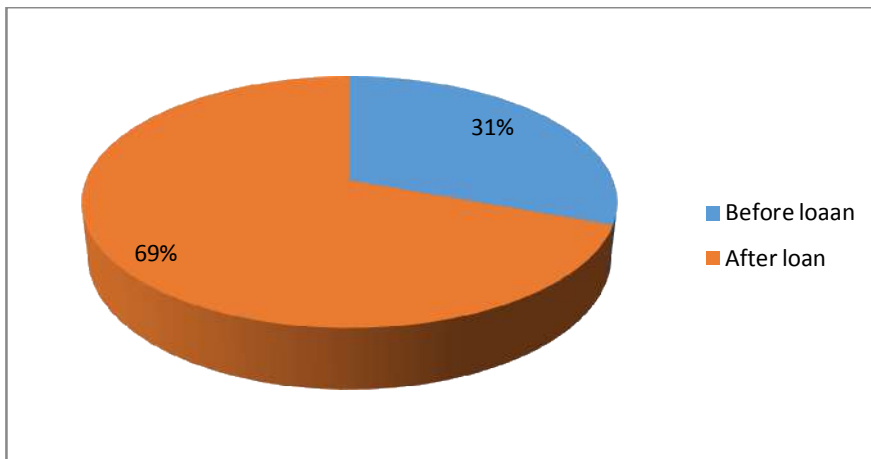
Pie Chart 3.27: Cycle purchased



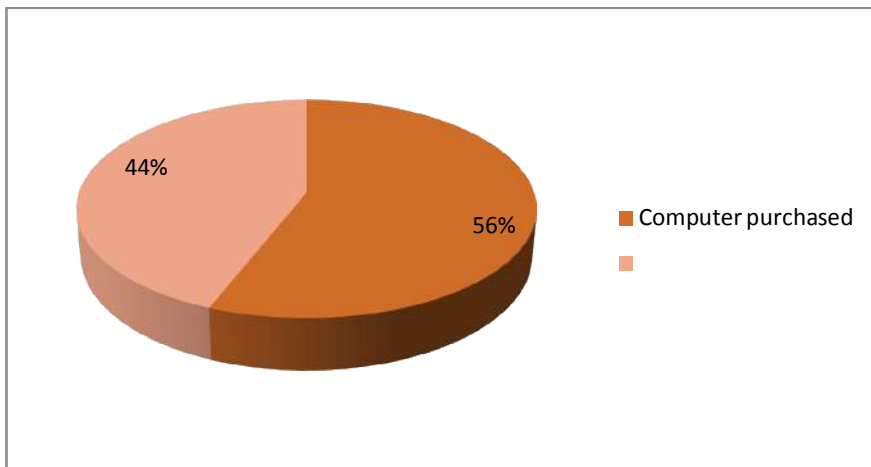
Pie Chart 3.28: Scooter/Bike purchased



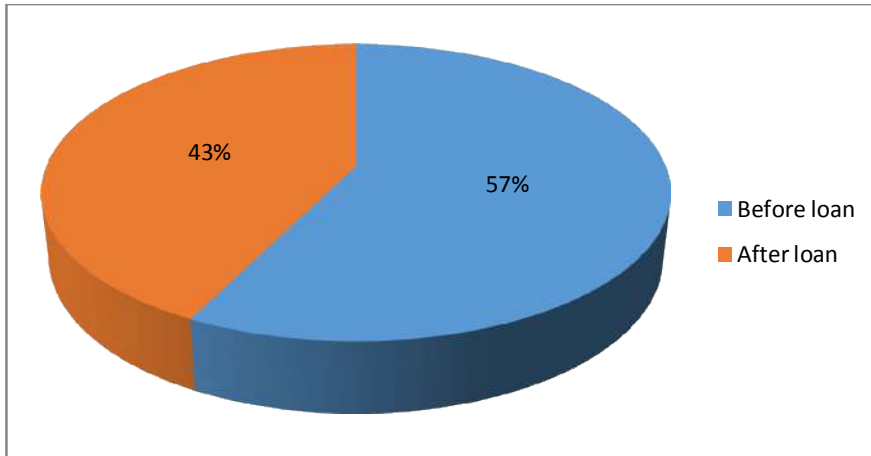
Pie Chart 3.29: Car purchased



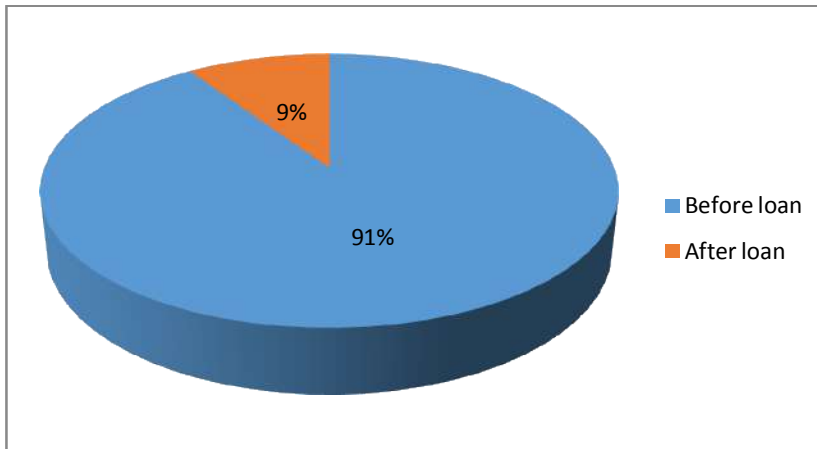
Pie Chart 3.30: Computer purchased



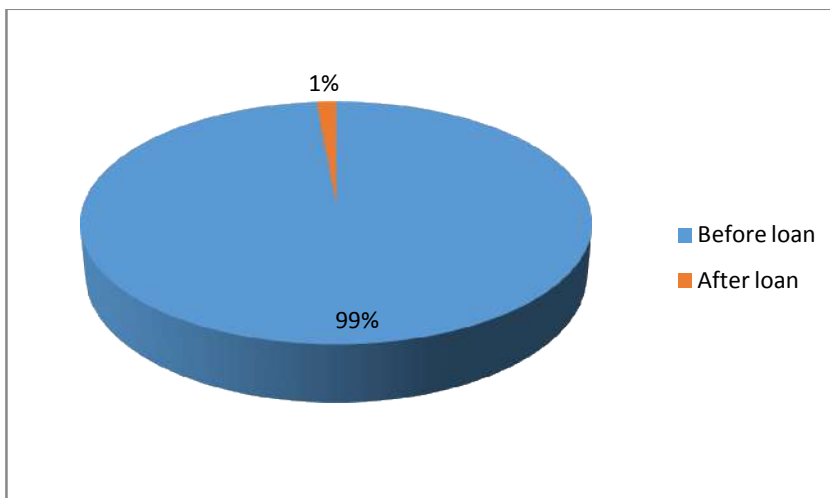
Pie Chart 3.31: Telephone connection



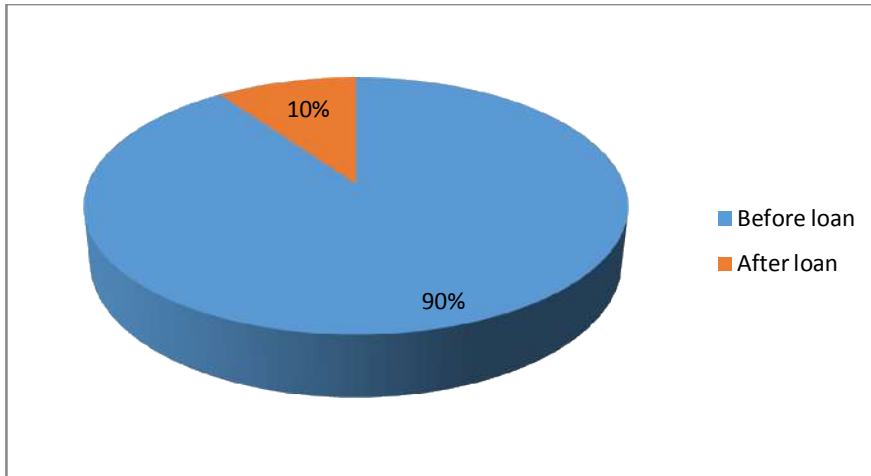
Pie Chart 3.32: Gas connection



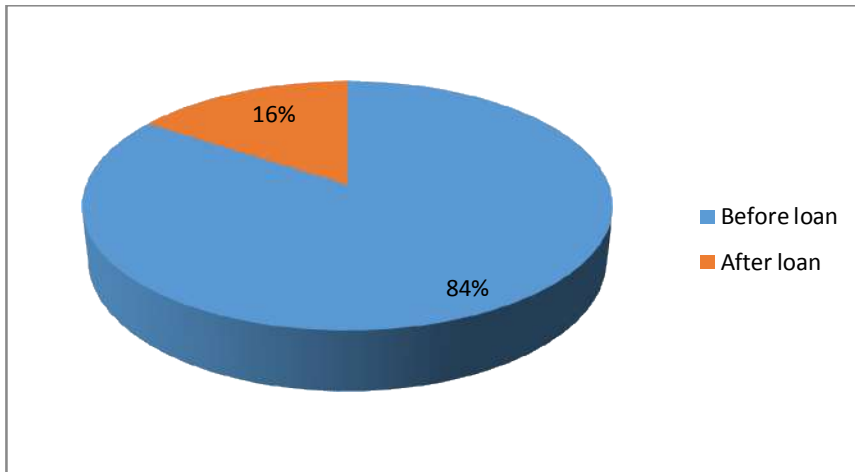
Pie Chart 3.33: Iron Box purchased



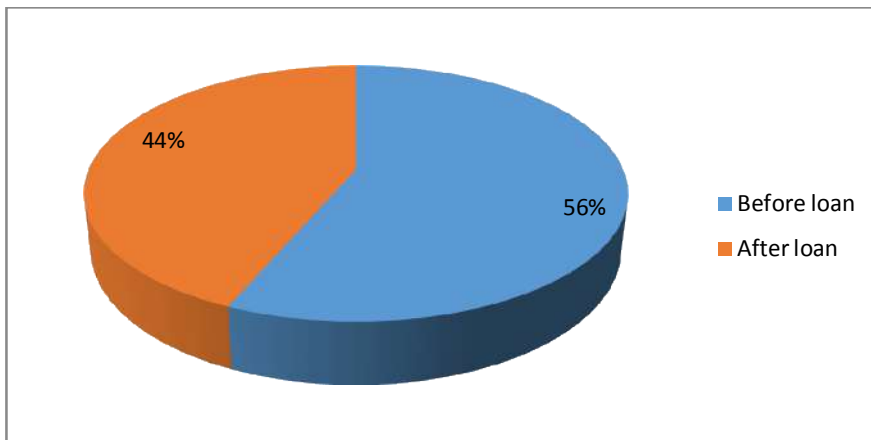
Pie Chart 3.34: Fan purchased



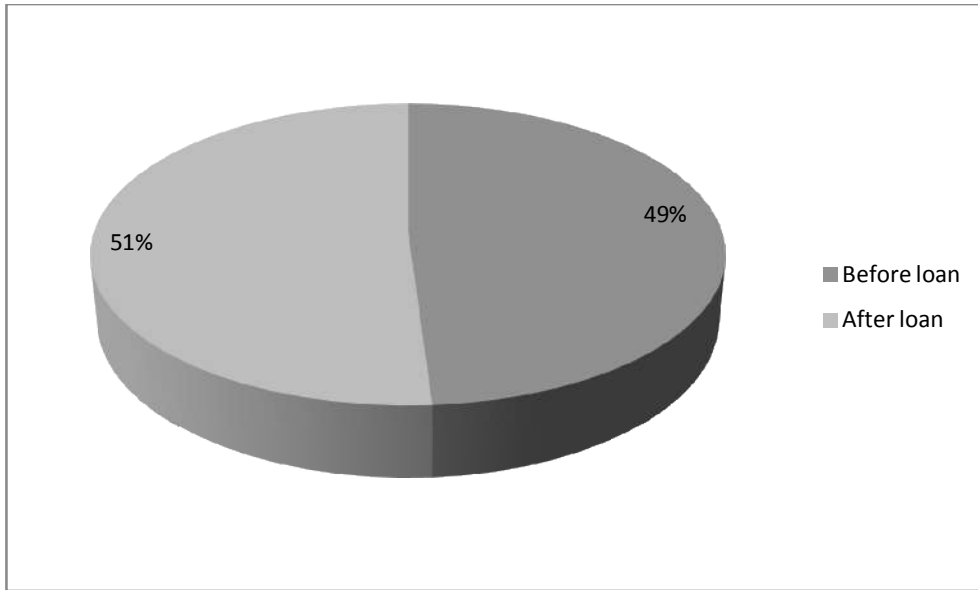
Pie Chart 3.35: Sewing machine



Pie Chart 3.36: Washing Machine



Pie Chart 3.37: Refrigerator purchased



Pie Chart 3.38: Video player purchased

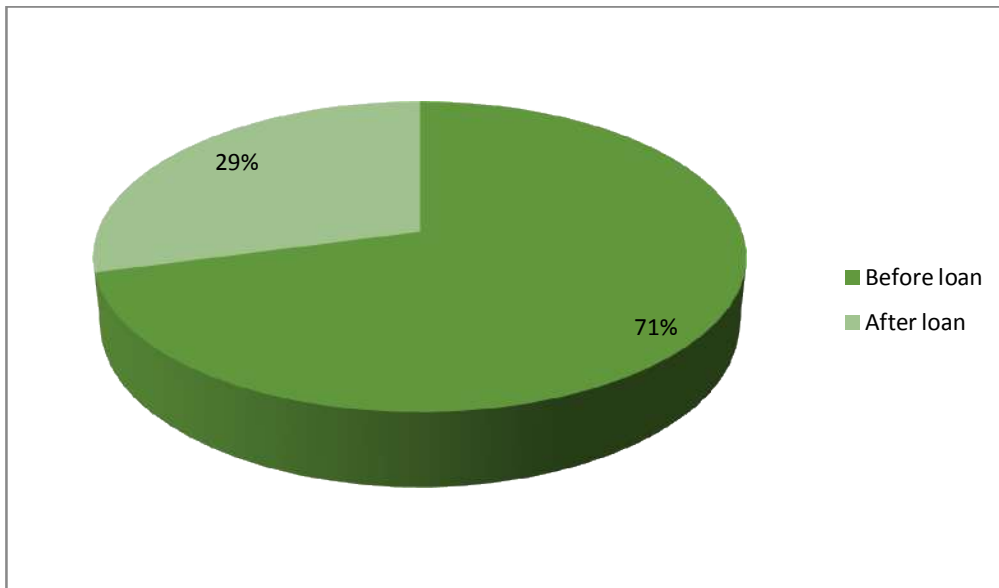
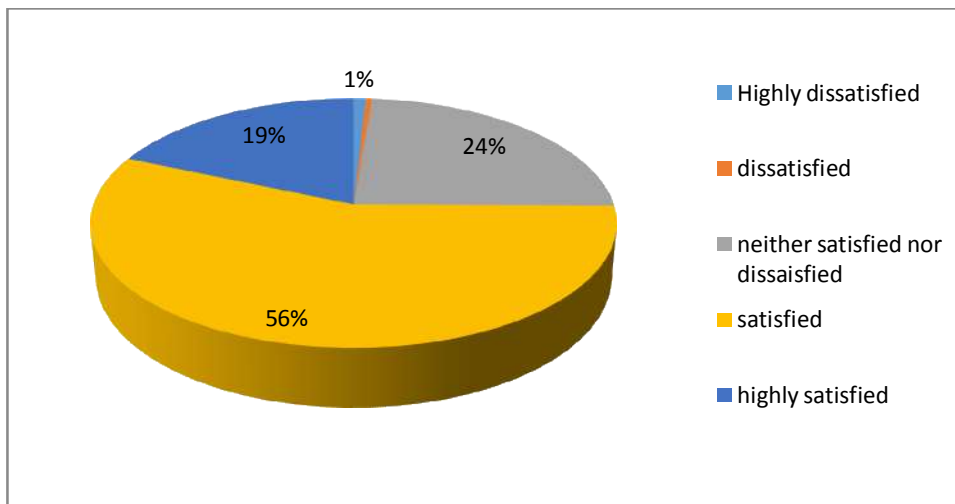


Table 3.28: Satisfaction level of SCAs and Socio-Economic impact

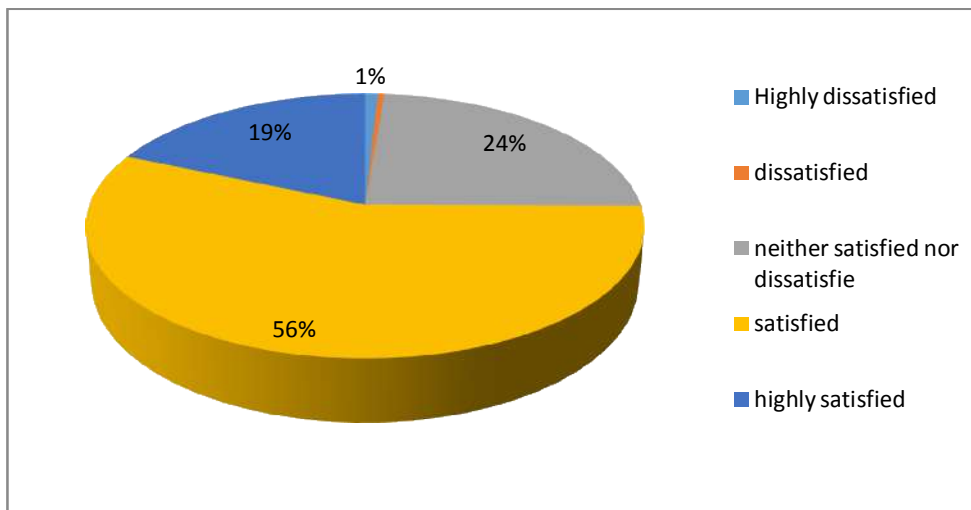
		% age		% age	Neither Satisfied nor Dissatisfied	% age		% age		% age
	Highly Dissatisfied		Dissatisfied				Satisfied		Highly Satisfied	
Loan scheme	6	0.85	3	0.42	167	23.85	396	56.57	128	18.28
Assistance and guidance provided by SCA	6	0.85	3	0.42	167	23.85	397	56.71	127	18.14
Quick confirmation	9	1.28	28	4	298	42.57	308	44	57	8.14
Interest rates	3	0.42	46	6.57	306	43.71	266	38	79	11.28
Loan sanctioning system	3	0.42	58	8.28	288	41.14	305	43.57	46	6.57
Disbursement system	3	0.42	69	9.85	318	45.42	275	39.28	35	5
Disbursement amount	7	1	84	12	287	41	276	39.42	46	6.57
Lending process	4	0.57	85	12.14	269	38.42	283	40.42	59	8.42
Processing fee	5	0.71	69	9.85	275	39.28	276	39.42	75	10.71
Behavior of the employee during the landing process	4	0.57	72	10.28	278	39.71	278	39.71	68	9.71
Guarantee requirements	9	1.28	77	11	295	42.14	283	40.42	36	5.14
Size of monthly installments	8	1.14	79	11.28	257	36.71	308	44	48	6.85
Fast and Efficient services of the bank	6	0.85	79	11.28	256	36.57	315	45	44	6.28
Repayment Period	9	1.28	96	13.71	275	39.28	264	37.71	56	8
Time taken for loan approval	4	0.57	89	12.71	289	41.28	279	39.85	39	5.57
Reliable and transparent services	6	0.85	83	11.85	275	39.28	294	42	42	6
Easy query handling	7	1	74	10.57	291	41.57	280	40	48	6.85
Awareness Mechanics	6	0.85	81	11.57	293	41.85	283	40.42	37	5.28
Overall Services	6	0.85	59	8.42	279	39.85	288	41.14	68	9.71
Activity started with the help of loan assistance	6	0.85	72	10.28	282	40.28	295	42.14	45	6.42

Interpretation: In order to know the satisfaction level of loan beneficiaries regarding various aspects of business of state channelizing agent of NBCFDC, the respondents were exposed to a list of statements regarding loan schemes and other processes involved. It is determined by the total set of duties and task performed by the SCAø. The rating was calculated on the beneficiaries score given out of five points. From the average score and rank of the satisfaction level of beneficiaries about loan schemes and services of PACCS, it was found that the beneficiaries are highly satisfied towards the loan scheme Assistance and guidance provided by SCAø, Size of monthly instalment Activity started with the help of loan assistance, behaviour of the employees during the lending process, Repayment period, Time taken for loan approval, Fast and Efficient services of the bank, Disbursement system, Interest Rate, easy query handling and overall services.

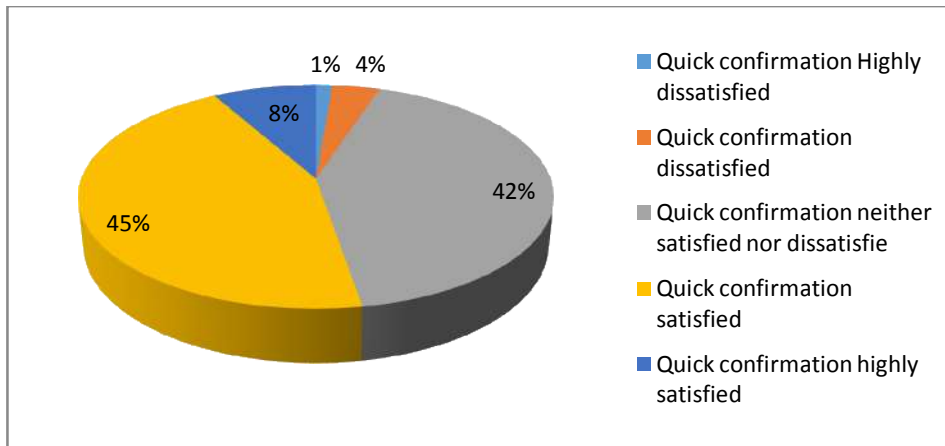
Pie Chart 3.39: Loan scheme



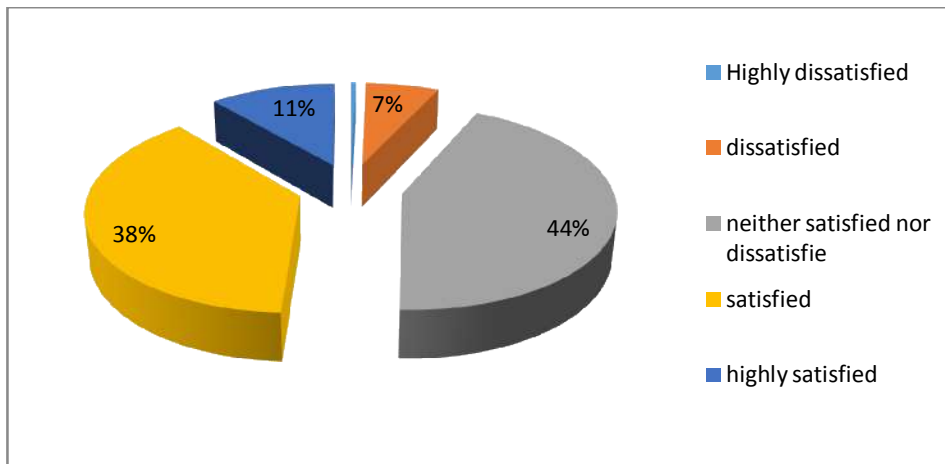
Pie Chart 3.40: Assistance and guidance provided by SCA



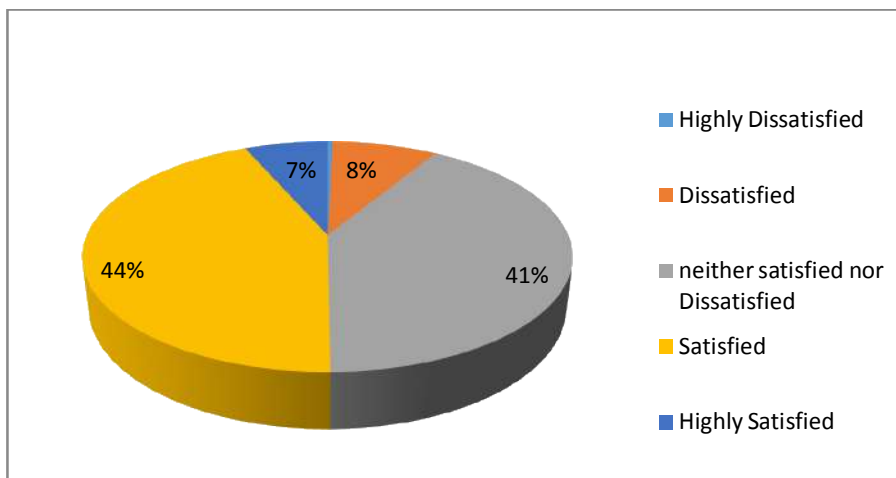
Pie Chart 3.41: Quick confirmation



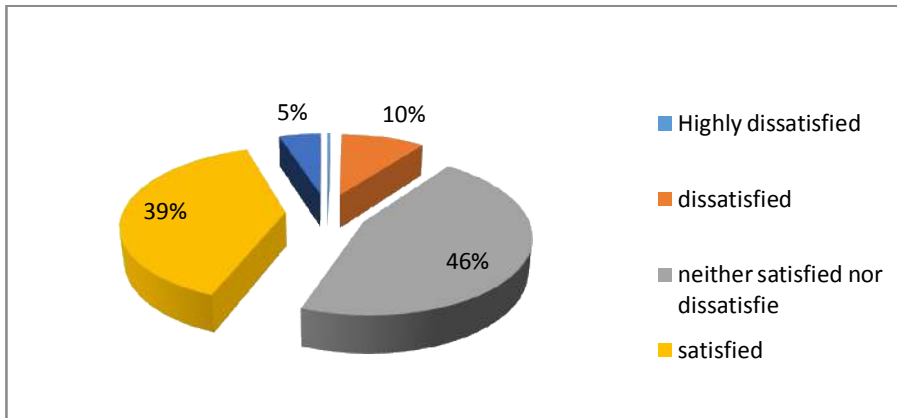
Pie Chart 3.42: Interest rates



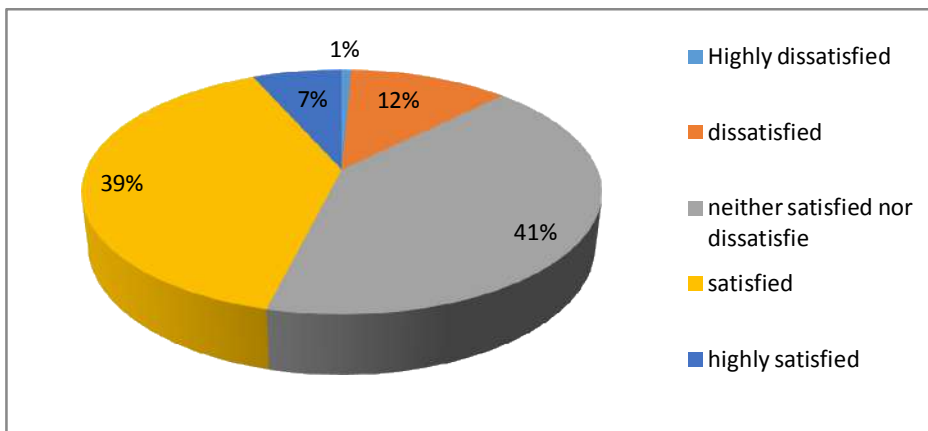
Pie Chart 3.43: Loan sanctioning system



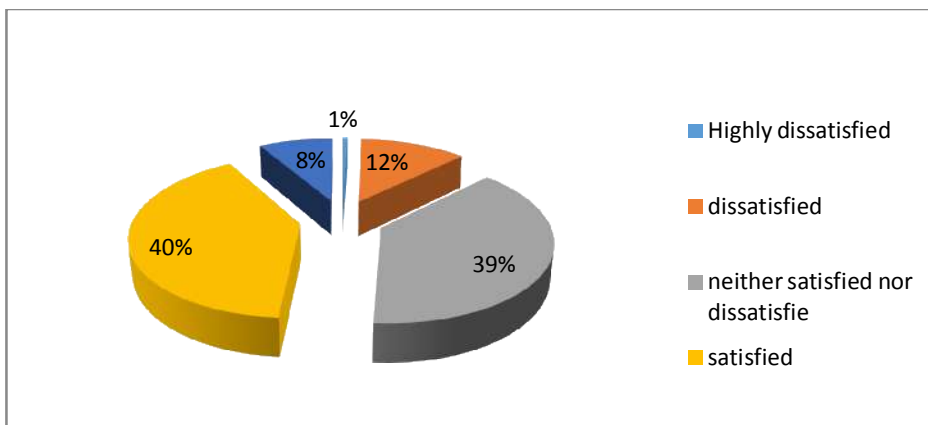
Pie Chart 3.44: Disbursement system



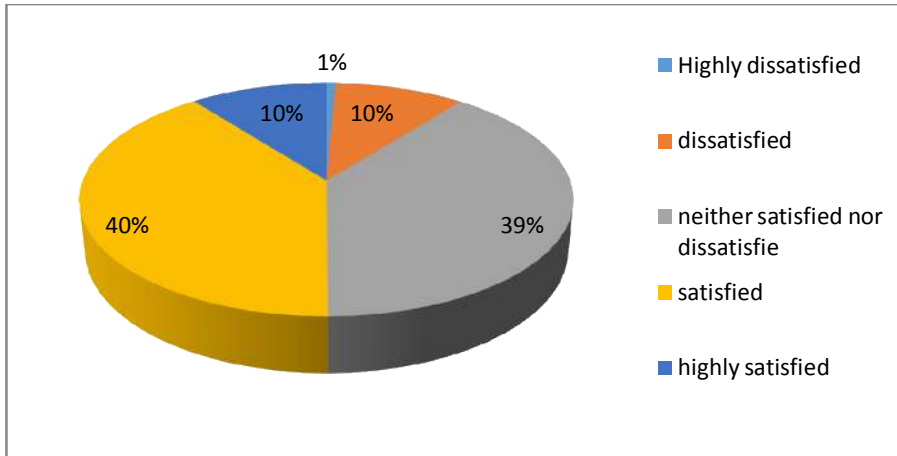
Pie Chart 3.45: Disbursement amount



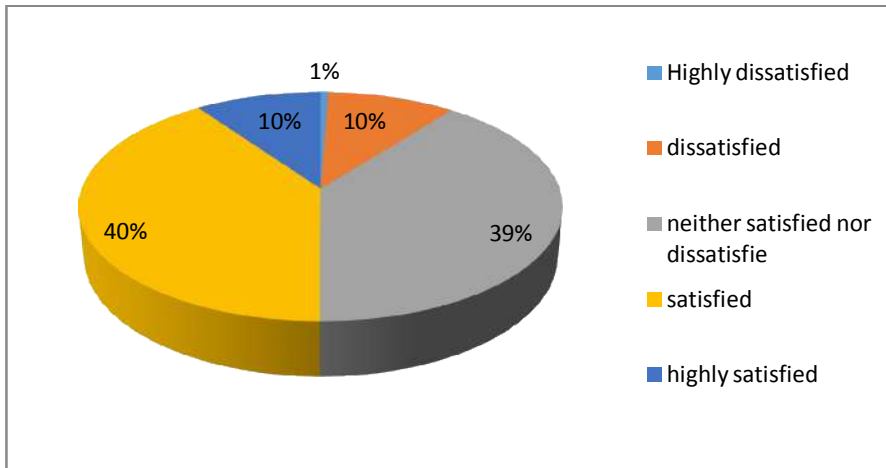
Pie Chart 3.46: Lending process



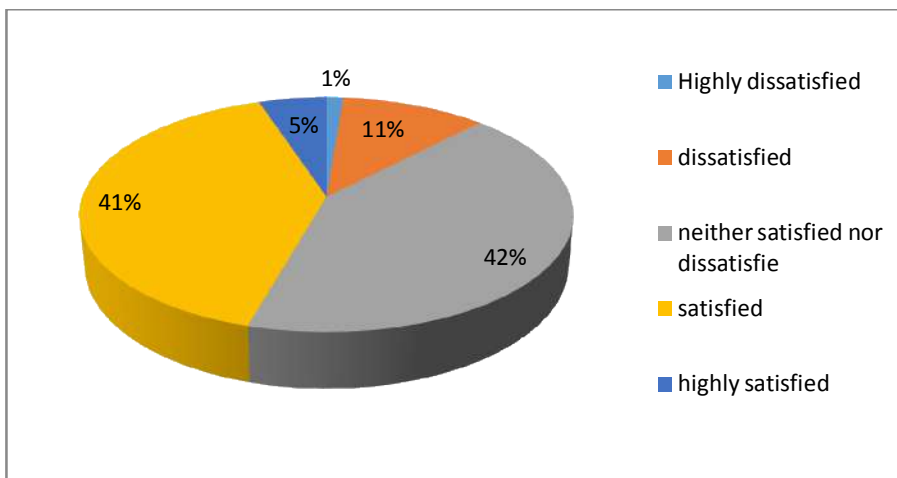
Pie Chart 3.47: Processing fee



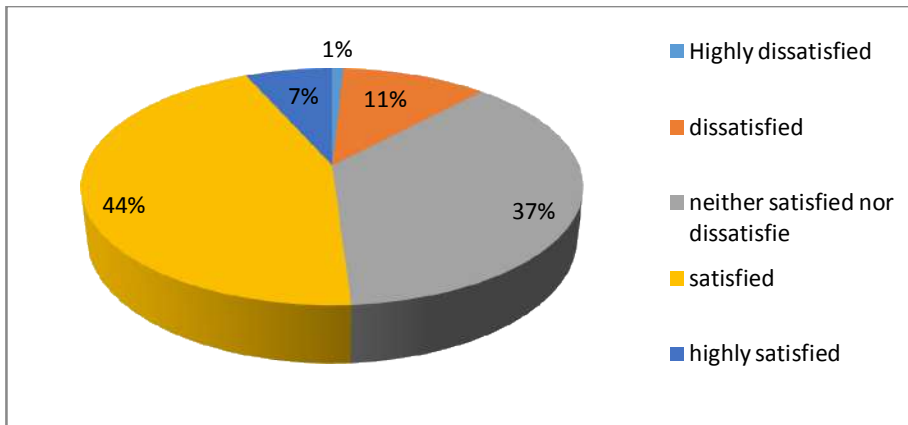
Pie Chart 3.48: Behavior of the employee during the landing process



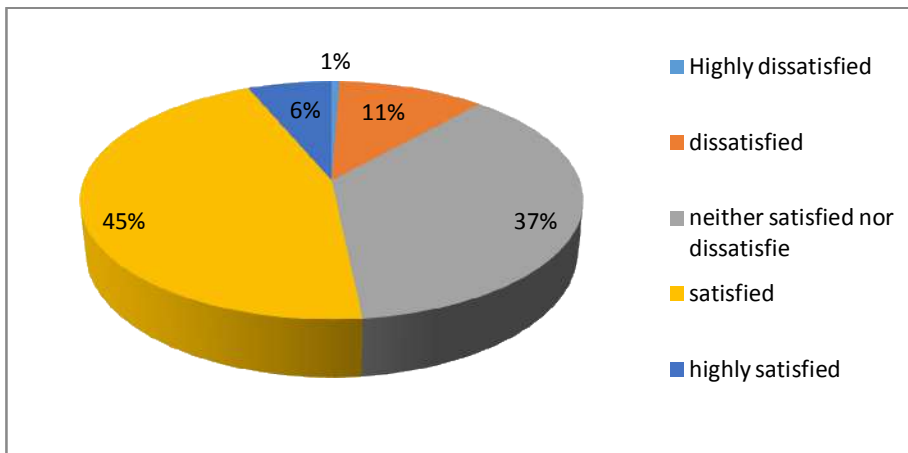
Pie Chart 3.49: Guarantee requirements



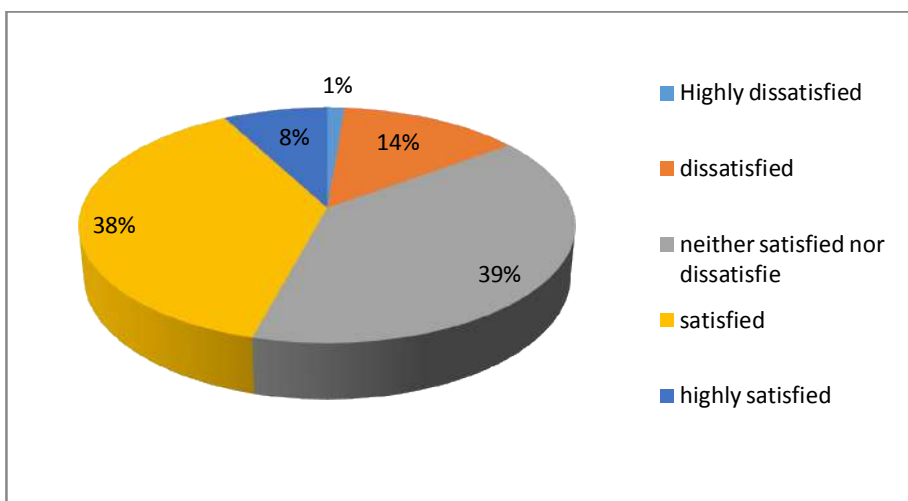
Pie Chart 3.50: Size of monthly installments



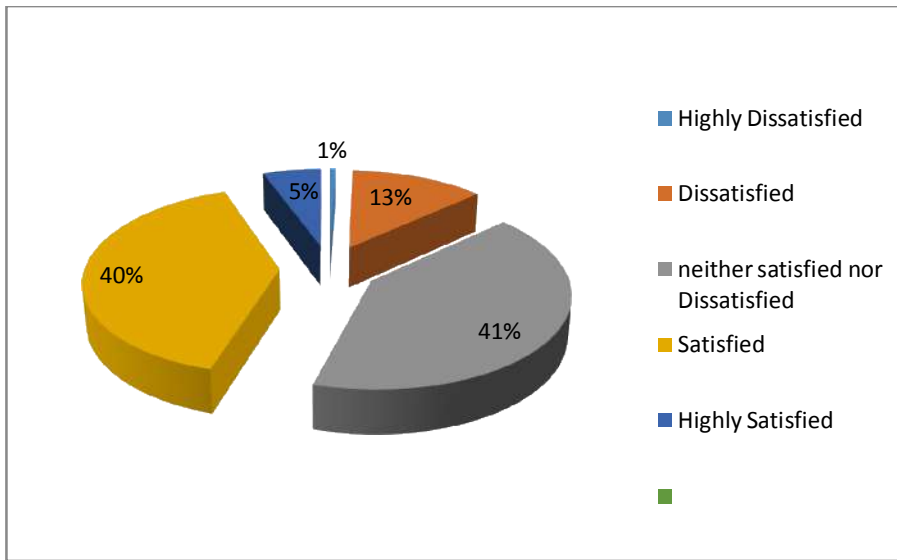
Pie Chart 3.51: Fast and Efficient services of the bank



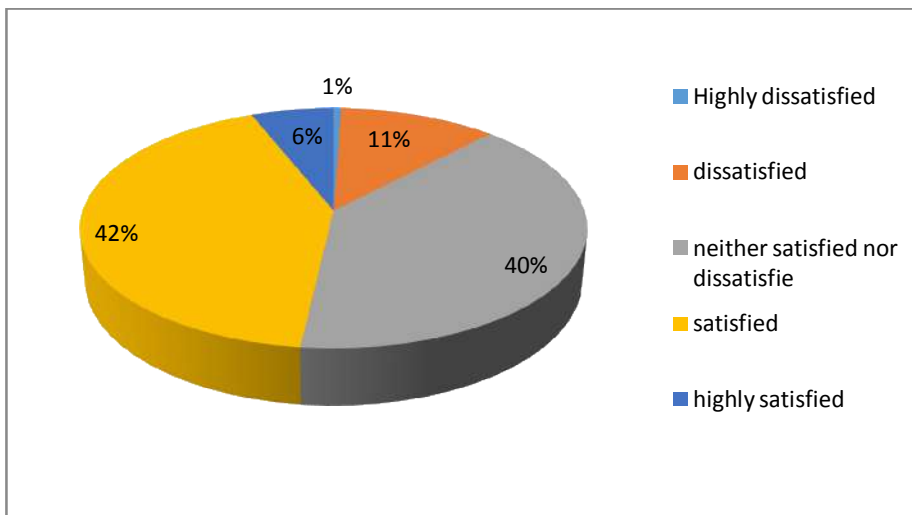
Pie Chart 3.52: Repayment Period



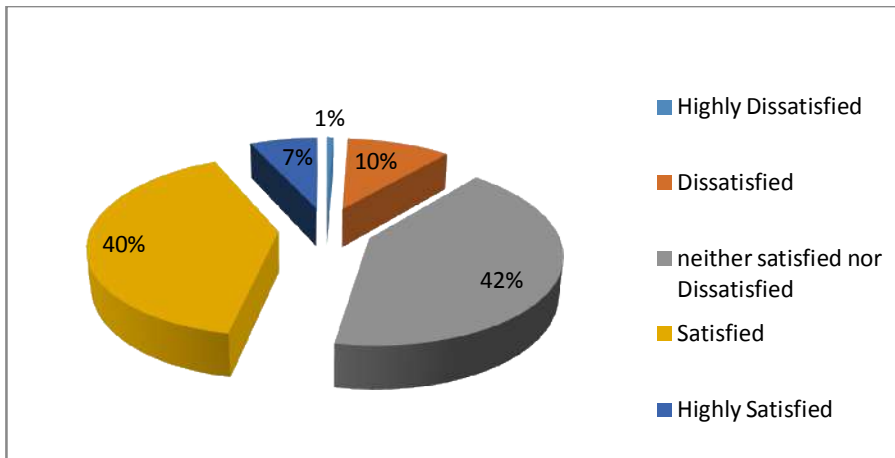
Pie Chart 3.53: Time taken for loan approval



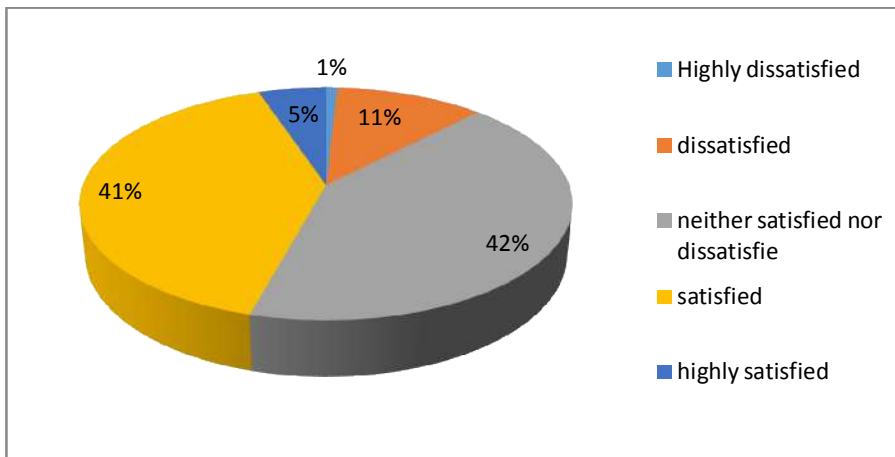
Pie Chart 3.54: Reliable and transparent services



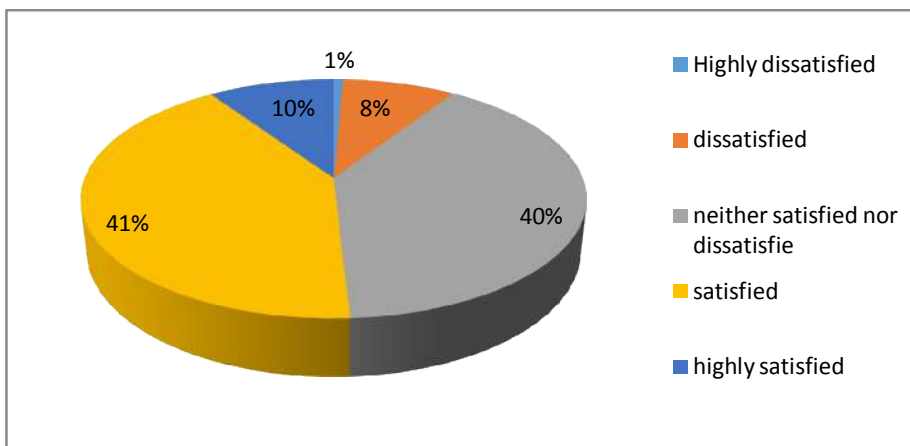
Pie Chart 3.55: Easy query handling



Pie Chart 3.56: Awareness Mechanics



Pie Chart 3.57: Overall Services



Pie Chart 3.58: Activity started with the help of loan assistance

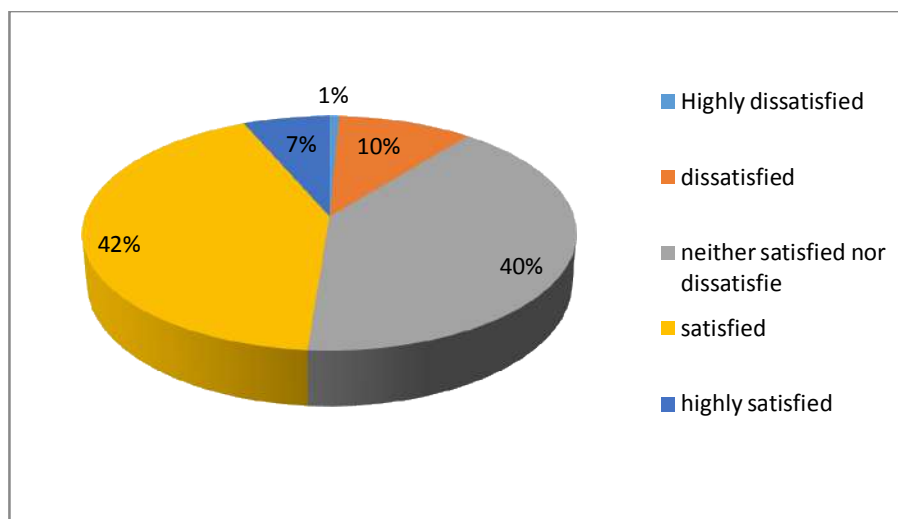


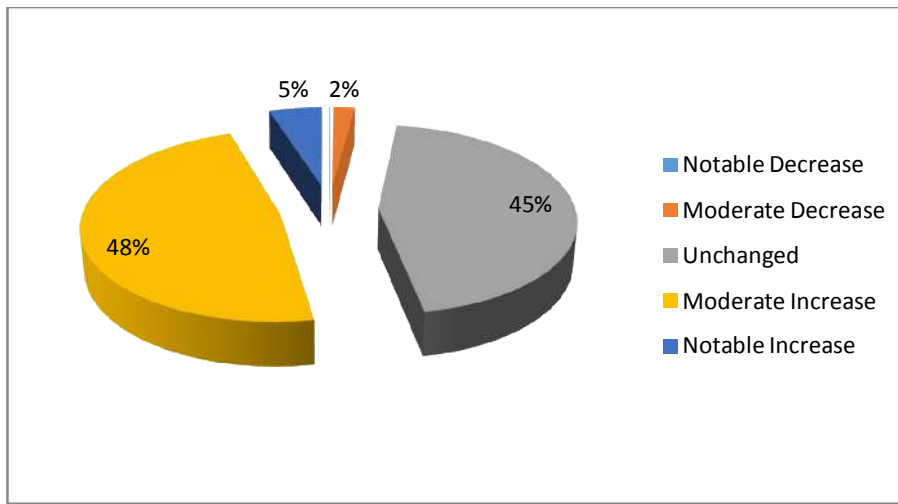
Table 3.29: Social impact of NBCFDC Schemes on the lives of Beneficiaries

	Notable Decrease	% age	Moderate Decrease	% age	Unchanged	% age	Moderate Increase	% age	Notable Increase	% age
Participation in social service activities	1	0.14	14	2	315	45	335	47.85	35	5
Better schooling of the children	1	0.14	29	4.14	307	43.85	347	49.57	16	2.28
Equally participated with husband in family decisions in the society	1	0.15	32	4.95	347	53.71	249	38.54	17	2.63
Respect and social recognition in the society	1	0.14	34	4.85	337	48.14	309	44.14	19	2.71
Participation in Organized activities	4	0.57	47	6.71	354	50.57	278	39.71	17	2.42
Better access to the health faculties	6	0.85	48	6.85	329	47	287	41	30	4.28
Improvement in dealing with outsiders	2	0.28	49	7	280	40	328	46.85	41	5.85
Increased involvement with social events	2	0.28	46	6.57	299	42.71	315	45	38	5.42

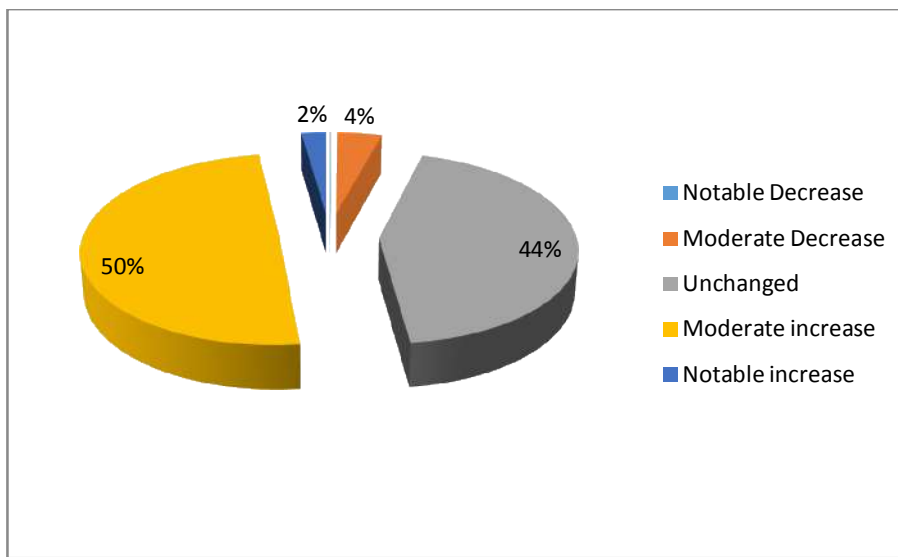
Interpretation: Social impact can be defined as the beneficiary's net effect of loan on community and the well being of individuals and families. For measuring the social impact, eight items were taken up for the study.

From the average score and rank of the social impact after NBCFDC loan, it was found that the respondents were able to provide better schooling for their children, could have better access to health facilities and their social recognition also rose in the society, social involvement and female empowerment was also reported by the respondents.

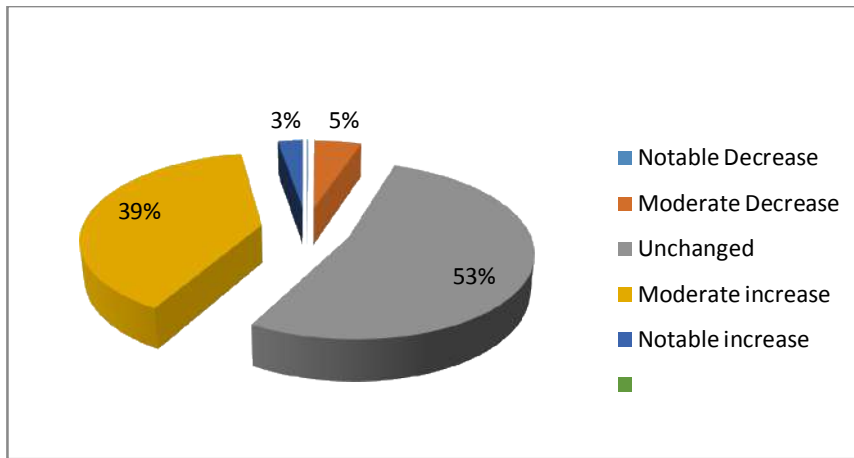
Pie Chart 3.59: Participation in social service activities



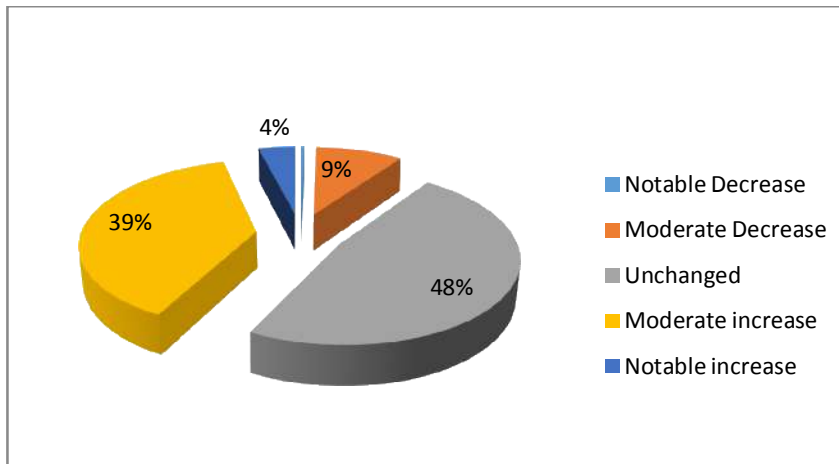
Pie Chart 3.60: Better schooling of the children



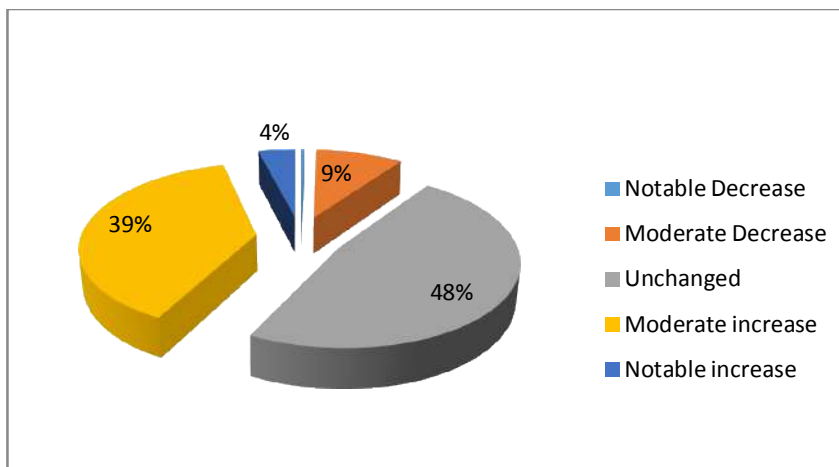
Pie Chart 3.61: Equally participated with husband in family decisions in the society



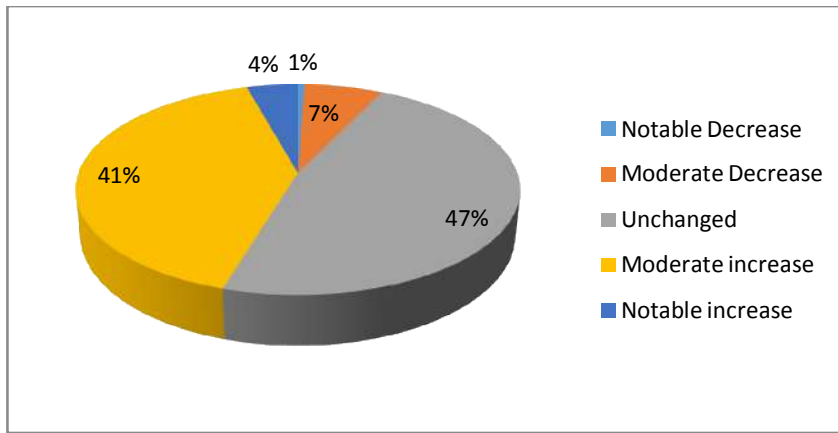
Pie Chart 3.62: Respect and social recognition in the society



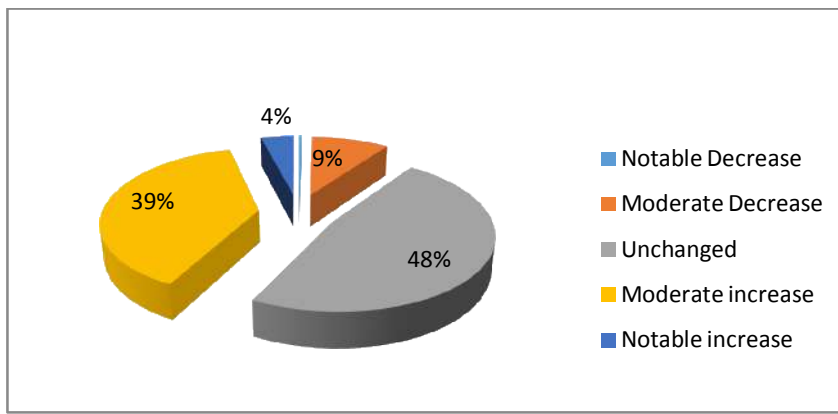
Pie Chart 3.63: Participation in Organized activities



Pie Chart 3.64: Better access to the health facilities



Pie Chart 3.65: Improvement in dealing with outsiders



Pie Chart 3.66: Increased involvement with social events

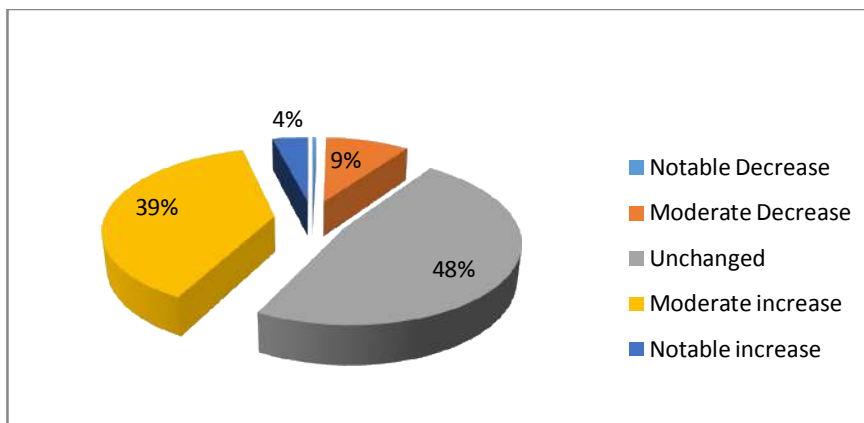


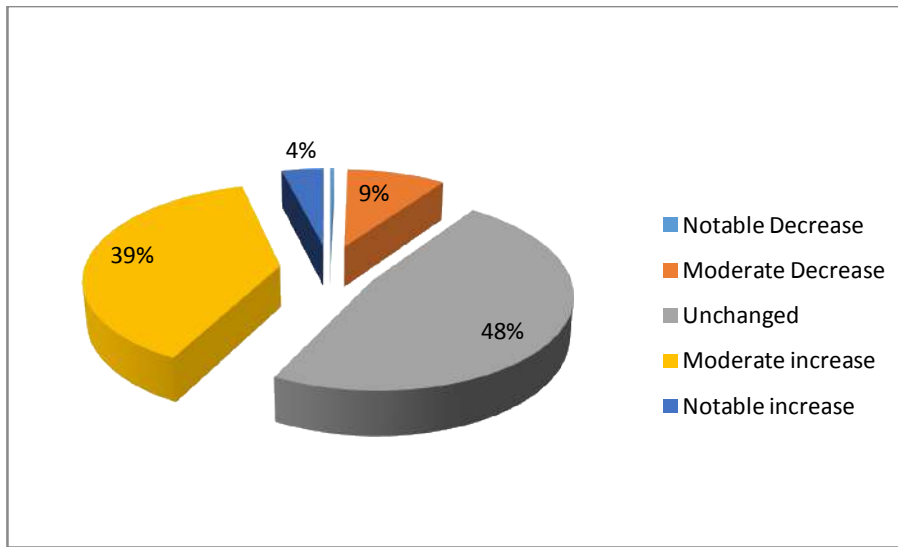
Table 3.30: Economic Impact of NBCFDC Schemes on the lives of Beneficiaries

	Notable Decrease	% age	Moderate Decrease	% age	Unchanged	% age	Moderate Increase	% age	Notable increase	% age
Food consumption pattern improved	2	0.28	33	4.71	296	42.28	333	47.57	36	5.14
Improvement in clothing status	0	0	43	6.14	323	46.14	287	41	47	6.71
Better access of financial resources	3	0.42	66	9.42	348	49.71	237	33.85	46	6.57
Asset creation improved	5	0.71	69	9.85	326	46.57	274	39.14	26	3.71
Savings rate improved	5	0.71	68	9.71	299	42.71	299	42.71	29	4.14
Standard of living improved	8	1.14	54	7.71	296	42.28	317	45.28	25	3.57
Minimized family indebtedness	3	0.42	66	9.42	334	47.71	269	38.42	28	4
Decision making in the family	4	0.57	68	9.71	314	44.85	294	42	20	2.85

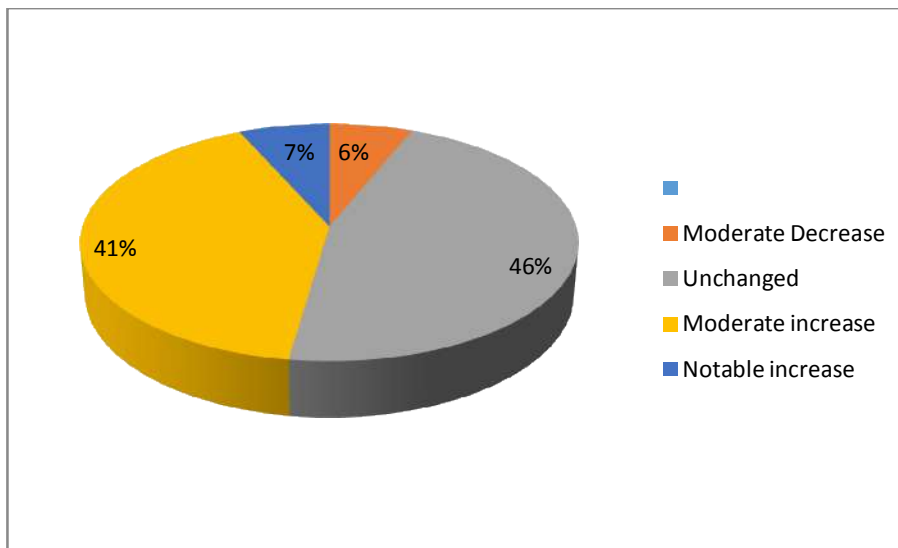
Interpretation: The economic effect can be measured from the changes in financial condition of beneficiaries after NBCFDC loan. For measuring the economic impact, eight items were taken up for the study.

The rank was calculated on the beneficiaries' score given out of five points. From the average score and rank of the economic impact after NBCFDC loan, it was found that, food consumption pattern improved, better access of financial resources increased, decision making in the family related to monetary aspect improved, family indebtedness decreased, standard of living improved, saving rate was improved, asset creation improved, and clothing became better. Hence it was concluded that the loan made a positive economic impact in the lives of the respondents.

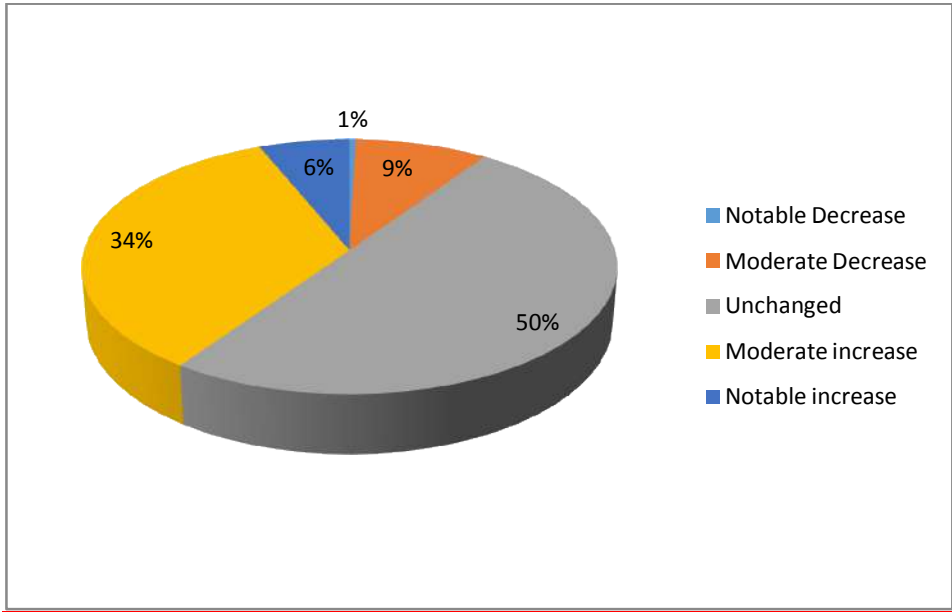
Pie Chart 3.67: Food consumption pattern improved



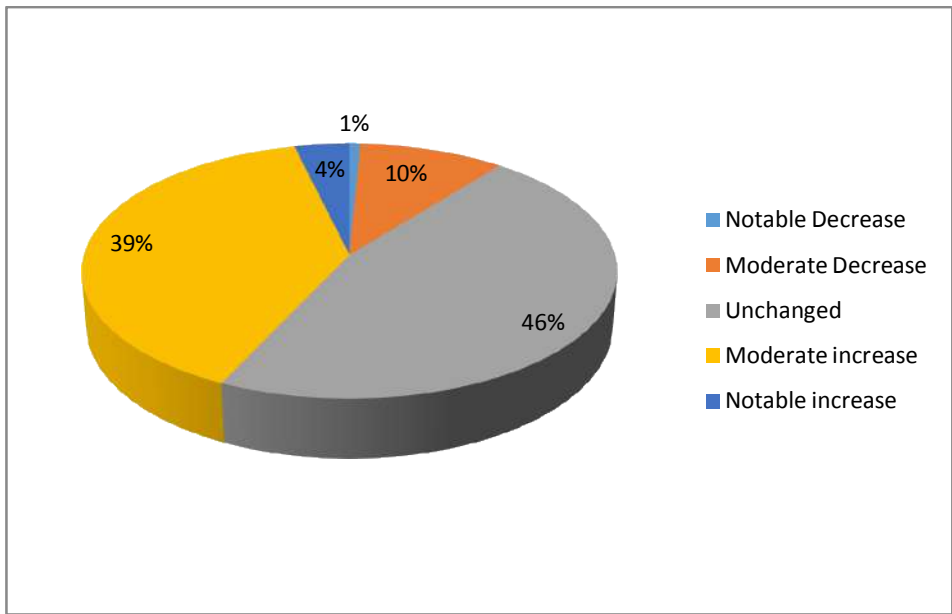
Pie Chart 3.68: Improvement in clothing status



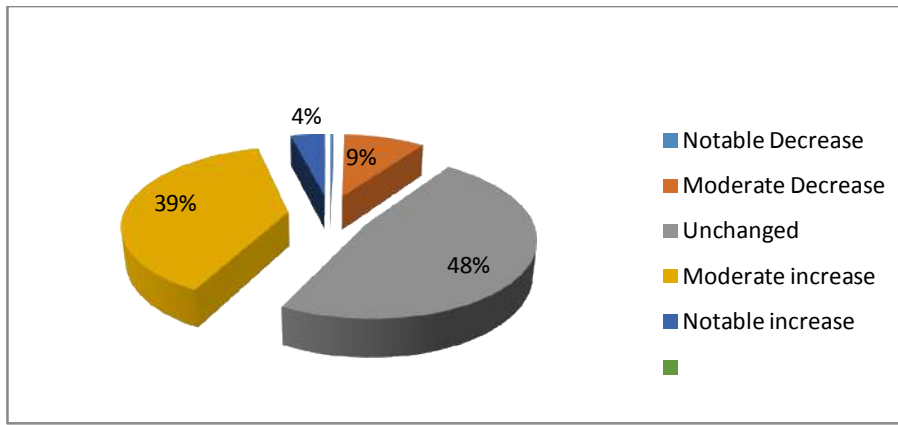
Pie Chart 3.69: Better access of financial resources



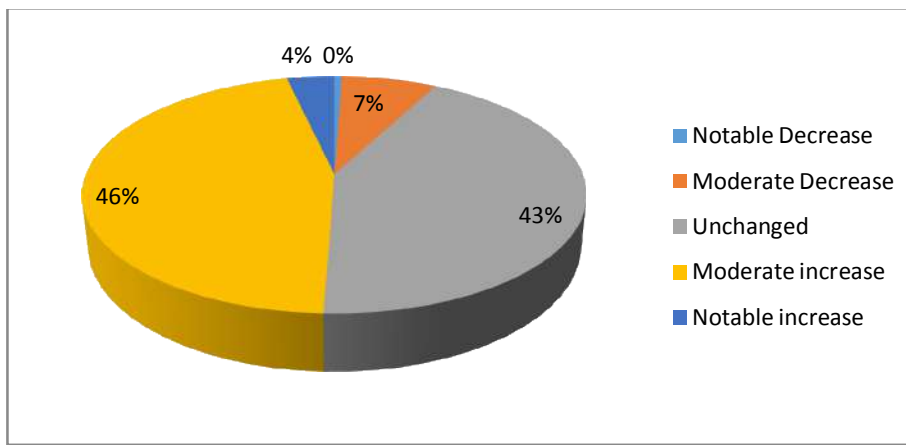
Pie Chart 3.70: Asset creation improved



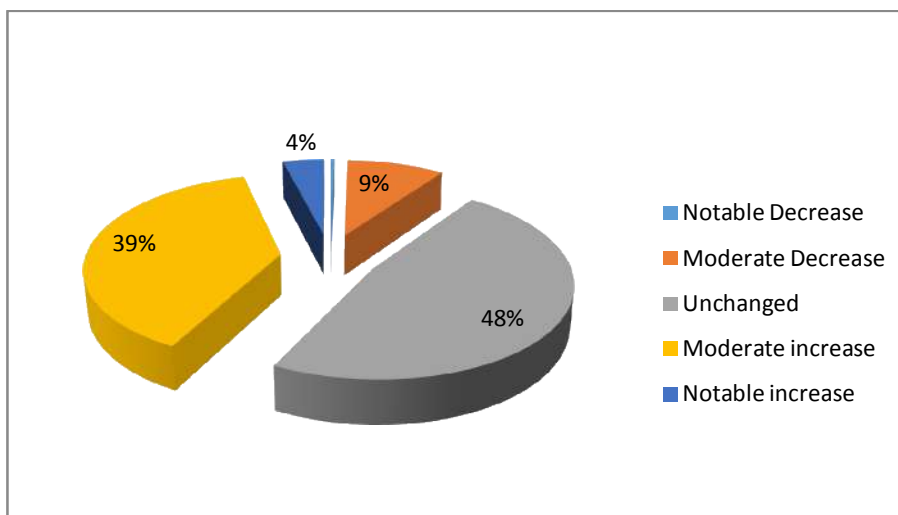
Pie Chart 3.71: Savings rate improved



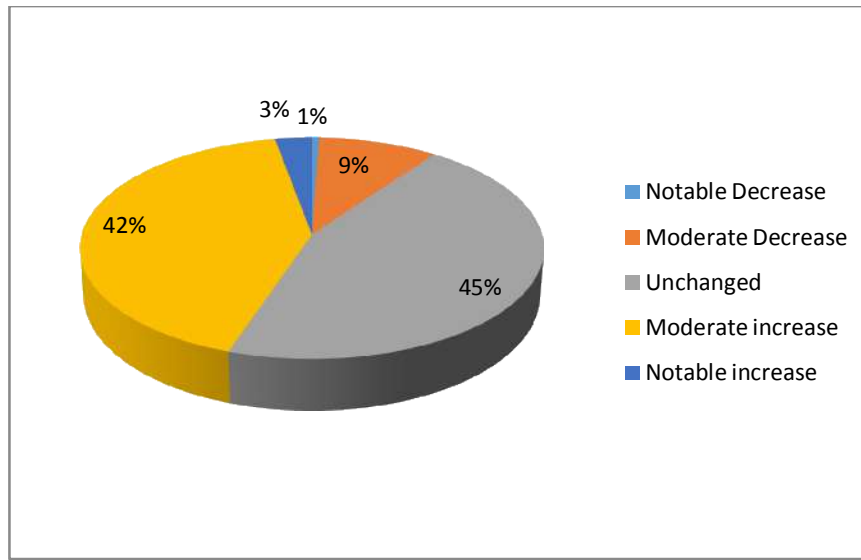
Pie Chart 3.72: Standard of living improved



Pie Chart 3.73: Minimized family indebtedness



Pie Chart 3.74: Decision making in the family



Interview

A structured interview was held with Mr, Satish Thakur, DGM, HBCFDC. His responses to the questions are as follows:

On being asked that most of the respondents were not aware about the various aspects of loan, he replied that whenever any loan is extended to any loan applicant, the person along with family member are made fully aware about the scheme. Loans are extended as per the needs of beneficiary and the major goal is to encourage self employment.

Major emphasis is on small loans to provide benefit to the maximum number of people.

Sharing details about the initiatives taken by HBCFDC, he shared that the Bank provides training under Skill development in food processing, cutting and tailoring etc. to the members of Self Help Groups on need basis.

The Bank runs awareness camps at Block Level with the help of Panchayat functionaries. Newspapers and hoardings are also used to make people aware about the various schemes of the bank.

CHAPTER – IV

FINDINGS

- ❖ Table 3.2/page no.20 revealed that out of the total number of 700 respondents, 590 (84.28%) are male beneficiaries, the women beneficiaries are only 110 (15.72%).
- ❖ One of the greatest strength of the research project is that the study focused more on rural areas. 93% percent of the respondents were living in rural area and only 7 percent of the respondents were living in urban area.
- ❖ From the educational qualifications of beneficiaries it was concluded that 91 percent of beneficiaries had completed school level education only. Hence they are the needy people for such loan.
- ❖ The interesting fact is that as per the data received for marital status, it is found that most of the NBCFDC loan beneficiaries were married people, constituting 92 percent of the total respondents.
- ❖ On studying the occupation of respondents, it is found out that majority of loan beneficiaries are involved in some sorts of business as 350 were businessmen by occupation. 50% percent of beneficiaries were fully assisting family business. The other were farmers, private workers etc.
- ❖ Table 3.8 at page 24, revealed an increase in Income ranging from 10000-15000. It is observed in the report that as far as income is concerned, the percentage increase in the average monthly income was 4.14% to 29.28%, after availing loan assistance.
- ❖ From the economic status it was found that after disbursement of the loan, it was evident that the economic status of loan beneficiaries improved as the number of beneficiaries below poverty line (BPL) decreased to 128 after loan disbursement. The data revealed that the percentage of respondents who have crossed the poverty line after availing the loan was 16.34%.
- ❖ While comparing the beneficiaries' status of household debt before and after the loan during the study period it was found that the house-hold debt of a majority of respondents decreased.
- ❖ After disbursement of the loan, it was evident that out of the total 700 respondents, 98% of the beneficiaries opted for general term loan, 1% beneficiaries opted for new swarnima loan and 1% beneficiaries opted for micro finance loan.
- ❖ 96% beneficiaries utilized the assistance from SCA's loan availing it for intended purposes.

- ❖ Table 3.19 revealed that out of total 700 respondents, 82% beneficiaries reported that they faced no difficulty in getting income and caste certificate from local authority, 12% beneficiaries faced some difficulties while 6% beneficiaries reported that they faced considerable difficulty for getting certificate from local authority. This appears a satisfaction state of affair.
- ❖ Table 3.20 illustrated that out of total 700 beneficiaries 74% respondents came to know of NBCFDC current scheme from their family, friends and relatives, 12% came to know about the schemes from other beneficiaries, 10 % said they received the information from SCA officials. 3% got the information about the scheme through advertising and 1% through website.
- ❖ Table 3.23 demonstrated that about 76% of beneficiaries did not face difficulties, while only 24% of the beneficiaries faced difficulties in getting loan, due to lack of complete information about loan, which causing inconvenience to the borrowers as they had to visit a number of times to the office for completion of formalities.
- ❖ Table 3.25 illustrate that about 79% (545 nos.) of the beneficiaries considered the loan amount to be sufficient.
- ❖ Table 3.26 exhibited that about 71% (490 nos.) of the beneficiaries paid their instalment on regular basis, and 25% were irregular in repaying their loan and there were 15 no. of cases were defaulters.
- ❖ The result of the study revealed that though most of the respondents were satisfied with the loan disbursement scheme of HBCFDC/ NBCFDC but the investigators found that the behavior of some of the employees who were involved in day-to-day assistance and guidance to the beneficiaries was somewhat non-cooperative.
- ❖ The result of the study also revealed that there was positive socio-economic impact of NBCFDC schemes on the lives of respondents. Most of the respondents got gainful employment, which in turn, accrued a number of benefits to them such as increased involvement in social activities, better access to health and education, improvement in social status and also recognition and empowerment. The positive changes in economic status resulted in better access to financial resources, decreased family indebtedness and improved lifestyles.

CHAPTER – V

FEED BACK FROM THE BENEFICIARIES AND SUCCESS STORIES

- Since most of the people in the state of Himachal Pradesh reside in rural areas and a significant number of beneficiaries in the study also were from rural areas it may be suggested that the household income limit should be revised upwardly for rural beneficiaries so that maximum people can avail the loan. It will boost up self employment avenues.
- The time taken for processing the loan is more than six months. So the time should be minimized to two months, so that the beneficiaries would be able to start their activities according to their time schedule.
- The beneficiaries were of the opinion that the rate of interest of the loan amount should be reduced. It can bring down the list of defaulters. Most of the people who avail loan are from poorer background and find it difficult to repay loan. It is pertinent to mention that economy of Himachal Pradesh heavily relies on tourism and the people who run small time business make most of their earnings during peak tourist seasons while during lean tourism months their income significantly drops down making it nearly impossible to repay their monthly loan installments.
- Apart from Microcredit loan, the beneficiaries were also expecting education loan for their children with lower rate of interest.
- The beneficiaries were looking forward to Insurance for their group members and their business (Animals).
- At present the age limit for the SHG member is 60 years which may further be extended.
- The widows and physically challenged members expected special privileges like low rate of interest and subsidy for the loan amount.
- The documents for getting loan should be simplified and it should be uniform for the entire state.
- SHG members of all the villages, having variety of skills, by and large, remain untapped. Their skills have to be utilized in a proper way for their economic development.
- The volume of the financial assistance can be increased keeping in view the growing population of the backward classes in all the districts.

- The new schemes should be designed keeping in mind the current market trends and should be reviewed periodically.
- Assistance should be provided for forward linkages. For example, a person who avails loan for beekeeping should also be provided necessary training and financial assistance on how to package, brand and sell the produce at competitive rates in the market.
- University-Industry interface needs to be strengthened. HBCFDC should actively collaborate with the Universities to train the loan beneficiary and for relevant skill imparting.

SUGGESTIONS OF THE STAKEHOLDERS

A structured interview with the DGM, HBCFDC, Kangra was conducted. He gave the following suggestions:

- Interest rate should be reduced from the current 6% to 4% to make the loans more competitive and inclusive. The current rate of interest is high (suggested by current beneficiaries too) in comparison to Nationalized Banks and acts as a barrier.
- In New Swarnima Scheme which is specially carved out for females belonging to Below Poverty Line (BPL) families the upper limit of the loan amount should be enhanced from Rs. 1, 00,000 to Rs. 5, 00,000. It will encourage female participation in entrepreneurial activity.
- There should be some provision of relaxation in case of death of the beneficiary.
- Repayment Period of the loan should be enhanced from 5 years to 10 years so that repayment burden is eased for the loanee as most of them are from economically backward sections.

4.3 List of Actionable points at SCA Level

Sl. No.	Actionable points
1.	To reduce the time delay in selection of beneficiaries and distribution of loans, all the Central District Cooperative Banks can entertain online submission of applications and online approval can be done at HBCFDC.
2.	A detail mechanism should be devised by HBCFDC to speed up the processing and disbursement of the loan by specific time-line i.e., a period of maximum three months.
3.	General Term loan is successfully going on in all the districts. Likewise, Other NBCFDC schemes like New Swarnima Scheme should be encouraged in all the districts as it will have direct bearing on women empowerment.

4.	From the feedback from the beneficiaries it is noted that the loan amount sanctioned by HBCFDC is not sufficient for the beneficiaries, Hence the SCA should take steps for increasing the average loan per beneficiary. In case of New Swarnima Scheme It should be increased from existing Rs.100,000/- to Rs 500,000/- per beneficiary.
5.	A standardized checklist should be followed for collecting KYC documents from the beneficiaries.
6.	State channelizing agencies should entertain more New Self-Help Groups for availing loan to provide maximum benefit and make it more inclusive as well as exhaustive.
7.	The amount of loan sanctioned by NBCFDC is based on the letter of guarantee given by the State Government. So, State channelizing agency should take steps for increasing the guarantee amount given by the state government.
8.	From the results available in the table 3.2, it is found that SCA concentrating only general term loan and micro finance scheme. Hence the SCA should concentrate the Education loan to the members of backward classes for pursuing Professional/Technical Education at Graduate and PG level because it is one of the variables mainly contributing to growth of the country.
9.	The beneficiaries are looking forward to insurance for the group members and their business (Animals).
10.	In case of Widows, if they become widow during the tenure of the loan, the balance amount could be totally waived subject to the financial conditions of the members. The SCA should verify that the dependents or the surviving members are not able to pay the sum due to poor financial condition and there is likely risk of falling into further debt trap for repayment of loan
11.	Based on the budget of the project proposal, or business plan, the General Term Loan (GTL) amount should be increased depending upon the market value of the document of immovable property submitted by the beneficiary.
12.	The SCA may consider the cases pertaining to widows and physically challenged members expected special privileges like low rate of interest and subsidy for the loan amount.
13.	The SCA may consider to simply procedures of disbursement of loan to the beneficiaries also simplified the application and other documents required for getting loan and it should be uniform for the entire state. The SCA may also consider online portal for filling of loan forms and disbursement of loan to the beneficiary. The SCA needs to improve in its overall services to the beneficiaries i.e. giving knowledge, guidance for application, proposal preparation, etc. The queries of the applicants in terms of application, amount of loan for various, eligibility criteria, etc., these queries needs to be solved easily.
14.	The SCA may also consider to bring forward more and more SHG members of all the villages, having variety of skills, by and large, remain untapped. Their skills have to be utilized in a proper way for their economic development.
15.	The SCA needs to strengthen University-Industry interface so that HBCFDC should actively collaborate with the Universities to train the loan beneficiaries in their relevant business skill, for smooth functioning of their business.
16.	During the disbursal of the loan the behaviour of the employees needs to be improved as some of the beneficiaries narrated bitter experiences.

17.	It is observed that there is no awareness about the NBCFDC schemes amongst the beneficiaries, therefore, SCA is requested to give wide publicity and advertisements to create awareness among the OBC people.
18.	The SCA is also required to take necessary action against defaulters/irregular in repayment of Loan and issue notices etc. followed with regular visit to them in order to strengthen the recovery part at SCA level.

4.4 List of Actionable points at NBCFDC level

Sl. No.	Actionable Points
1.	The NBCFDC should reduce the rate of interest of General Term Loan from the current 6% to 4% so that its coverage is increased. At current rates most of the people are discouraged by the high rate of interest and hence do not take loan due to this reason.
2.	The upper limit of the New Swarnima Scheme should be raised to encourage female participation in entrepreneurial ventures.
3.	Loan Repayment period can be enhanced to make it easier for the beneficiaries to pay the loan and the number NPAs can be brought down through it.
4.	Since most of the people in the state of Himachal Pradesh reside in rural areas and a significant number of beneficiaries in the study also were from rural areas it may be suggested that the household income limit should be revised upwardly for rural beneficiaries so that maximum people can avail the loan. It will boost up Self employment avenues.
5.	The beneficiaries were of the opinion that the rate of interest of the loan amount should be reduced. It can bring down the list of defaulters. Most of the people who avail loan are from poorer background and find it difficult to repay loan. It is pertinent to mention that economy of Himachal Pradesh heavily relies on tourism and the people who run small time business make most of their earnings during peak tourist seasons while during lean tourism months their income significantly drops down making it nearly impossible to repay their monthly loan installments.
6.	Interest rate should be reduced from the current 6% to 4% to make the loans more competitive and inclusive. The current rate of interest is high (suggested by current beneficiaries too) in comparison to Nationalized Banks and acts as a barrier.
7.	From the feedback from the beneficiaries it is noted that the loan amount sanctioned by HBCFDC is not sufficient for the beneficiaries, Hence the SCA should take steps for increasing the average loan per beneficiary. In case of New Swarnima Scheme It should be increased from existing Rs.100,000/- to Rs 500,000/- per beneficiary.

CONCLUSION

The main objective of the study is inspection of beneficiaries and evaluation of NBCFDC schemes. For realizing the above objectives 700 beneficiaries were selected from 5 districts in the state of Himachal Pradesh. The data were collected by multistage random sampling. The collected data were analyzed with percentage and representative

analysis. From the results it is found that pie charts percentage of beneficiaries have crossed the poverty line with the financial assistance from NBCFDC. The beneficiaries' economic and social status notably improved because of loan schemes.

The study conclusively confirmed that NBCFDC played a very big role in the socio-economic development of backward community. The above analysis confirmed that there is a role that is played by microfinance in the socio-economic development. The benefits that accrue to the beneficiaries have been explicitly discussed and it is important to note that the study will provide one of the very first resource books for loan officers, policy makers and development workers in the field of evaluation study of NBCFDC scheme in Himachal Pradesh.

SUCCESS STORIES

Case Study I

Mr. Subhash Chand S/O Shri Amar Singh, Ward Number 5, Post Office: Kangra, Tehsil & District: Kangra.

Mr. Subhash Chand's father worked as a tailor, and he joined his father in the same business. Mr. Subhash being a young and aspiring wanted to open the readymade garments section. He applied for General Term Loan at HBCFDC Kangra for expansion of business. His loan was approved in April 2014. The loan amount sanctioned by the bank was Rs.2,000,00 at the interest rate of .%6He utilized the loan very well and wishes that this scheme should continue for the times to come and benefit the poor and disadvantaged sections of society.



Picture 1: Mr. Subhash at his tailor shop



Picture 2: The investigator taking field notes

Case Study II:

Mr. Kuldeep Kumar S/O Shri Kartar Singh, VPO Zamanabad, Tehsil & District Kangra.

Mr. Kuldeep Kumar started the work shop of spare parts. He applied for loan to HBCFDC, Kangra. He took a loan for increasing his spare parts work. His loan for three lakhs was

approved in 2014. The interest rate of the loan was 5%. He used this loan very well for his and it proved to be the turning point in his life.

He remarked that the loans provided by HBCFDC are a boon for poor and needy people as it enables them to actively participate in economic development of not only self but also the nation.



Picture 3: Mr. Kuldeep Kumar in front of his spare part shop in Kangra

Case Study III:

Mr. Vishal Choudhary S/O Sh. Subhash Chand, Vill. Jogipur. Post Office- Kachhiari, Tehsil & Distt. Kangra.

Mr. Vishal belongs to a very poor family. The family was barely able to make square meal. His Father is a bee keeper. Vishal's father came to know from his neighbours that HBCFDC Kangra provides loan under various schemes to the poor members of OBC community. Vishal was a bright student and wanted to study further, so he applied for education loan in the year 2007 for pursuing MBA from Bala institutes of Technology & Management Vishakhapatnam. The rate of interest of education loan was 4%. Mr. Vishal was sanctioned the loan amount of Rs 2.5 lakh and he successfully completed his master degree from that institute. At present, he is working at a handsome package at M/S TVS info-tech HO Chennai, and has been sent to Kuwait on an overseas assignment. Mr. Vishal has successfully repaid the loan and he is thankful to HBCFDC for helping him realize his ambition and wishes that educational loan scheme of HBCFDC will help many academically bright yet financially weak OBC students to fulfill their desire to pursue higher education.



Picture 4: Mr. Vishal Choudhary, availed Education loan and is now working in Kuwait

Case Study IV:

Ajay Kumar S/o Late Sh. Om Prakash, Ward No. 6, Nagrota Bagwan, Tehsil Nagrota bagwan, Distt. Kangra(H.P).

Date of Loan Payment: 2011

Sh. Ajay Kumar aspired to become a driver by profession but due to his weak economic condition he was unable to purchase a vehicle. He came to know about the self-employment schemes of HBCFDC Kangra and applied for the loan. The Corporation accepted his request for loan and granted the loan amounting Rs.2,38,000 for Alto (taxi) and the applicant started his business after buying car. Being hard worker and sincere, Sh. Ajay kumar runs his taxi business successfully and has repaid installments of loan to the Corporation. There is a significant improvement in applicant's economic condition. As a result, he is living a happy life. The applicant earns 9 to 10 thousand rupees per month from his business and is thankful to HBCFDC for timely loan assistance due to which he was able to fulfill his aspirations and improve his standard of living.

Picture 5: Sh. Ajay Kumar in front of his Alto Taxi



Case Study V:

Mr. Vikram Sushant S/o Sh. Karam Chand ,Ward No. 3 Old Kangra, Tehsil & Distt. Kangra (H.P).

Date of Loan Payment : 20-7-2015

Mr. Vikram Shushant is a taxi driver. He wanted to expand his business by opening a shuttering unit. He had heard from a friend about HBCFDC, that it provide loans at low rate of interest to people fro backward classes having low income level. He applied for loan and the Corporation granted the desired loan amount of Rs.2,85,000 for opening Steel shuttering unit. Sh. Vikram Shushant runs his shuttering business successfully and has repaid installments of loan to the Corporation.

At present, he earns Rs10,000 to Rs. 15,000 per month from his business and leads a happy and contented life with his family. He is thankful to HBCFDC for timely financial assistance at low rate of interest.



Picture 6: Mr. Vikram Shushant, Loan Beneficiary, who availed loan for steel shuttering unit.

Case Study VI:

Smt.Asha Kumari W/o Sh. Jeevan Kumar, VPO: Thana Badgran, Tehsil Baroh, Dist. Kangra Himachal Pradesh

Smt. Asha Kumari runs a garment shop at Kangra. She wanted to expand her readymade garments work. She came to know that HBCFDC gives loans to women at low rate of interest. She applied for loan of Rs.1,90,000 from HBCFDC in the year 2018 and was sanctioned the loan promptly. She is repaying loan installment every month and is satisfied that her income level has increased significantly.

Picture 7: Smt. Asha Kumari in her shop



Case Study VII:

Vijay Kumar S/o Late Sh. Kishori Lal, Ward No. 7, Kangra, P.O. & Tehsil: Kangra, Distt. Kangra (Himachal Pradesh)

Loan payment : 2002

Sh. Vijay Kumar was working as a contractor but was not able to earn a decent income. All the members of his family were fully dependant on his income. His total annual income from all sources was very low. One day, he contacted HBCFDC, Kangra for self-employment finance scheme, and was provided with proper information and guidance by Corporation Officers. Considering his case the Corporation felt that Sh. Vijay Kumar is capable of running his own business successfully. After the completing procedural formalities, Sh. Vijay Kumar received a loan of Rs. 1, 90,000 for his shuttering unit work. With his hard work and experience he remarkably improved his financial conditions and paid off the loan amount timely. His monthly earnings range between Rs.15, 000 to 20, 000 and leads a happy life with his family. He is thankful to HBCFDC for timely financial assistance.

Picture 8: Sh. Vijay Kumar, Loan Beneficiary



Case Study VIII:

Sh.Chander Kumar S/o Sh Hem Raj, VPO: Kohala, Tehsil & Distt. Kangra, Himachal Pradesh.

Loan payment : 20-07-2015

Sh. Chander Kumar has a scrap shop was struggling to improve his earnings. He wanted to augment his earnings through expansion of business by opening a tent house. He came to know about the self-employment schemes of HBCFDC Kangra from an acquaintance and applied for general term loan. His request for loan was promptly sanctioned and he received a loan amount of Rs 1,90,000 for business of tent house. He is repaying the installment every month and said that my monthly installment will be finished on February 2019.

Sh. Chander Kumar said that after loan his economic condition as well as standard of living has improved. He is thankful to HBCFDC officials for a timely financial assistance.

Picture 9: Sh. Chander Humar, Loan Beneficiary



Case Study IX:

Mr. Satish Kumar S/o Sh. Baldev Raj, VPO: Pharian, Tehsil Jawali, Distt. Kangra (H.P)

Date of Loan Payment : 19-02-2015

Mr. Satish Kumar was well educated unemployed young person who did a (Veterinary) Pharmacy . He came to know about HBCFDC, Kangra and he applied for a loan amount of Rs. 3,00,000 for establishing a medical store. He was sanctioned the requisite amount and he is successfully running his medical store. His monthly income is good and he has repaid the loan amount. He is thankful to HBCFDC for providing financial assistance timely.

Picture 10: Mr. Satish Kumar in front of his medical store



Case Study X:

Sh. Amarjeet S/o Sh. Prabhat Kumar, VPO: Yol Jharehar, Tehsil Shahpur, Distt. Kangra (H.P)

Date of loan payment : 2016

Sh. Amarjeet wanted to run his own welding shop. He needed money for business. He came to know about HBCFDC from his friend. The Corporation officers guided him and he applied for loan. He was sanctioned the loan amounting Rs 1,00,000 for running a welding shop . He is successfully running his shop and said that after loan his economic condition has improved and the living standard is also better. He repays his installments every month. He is thankful to HBCFDC for timely financial help .

Picture 11: Sh. Amarjeet in his welding shop



