

INSPECTION OF BENEFICIARIES AND EVALUATION OF NBCFDC SCHEMES IN THE STATE OF TAMIL NADU



Submitted to



**NATIONAL BACKWARD CLASSES FINANCE AND
DEVELOPMENT CORPORATION, NEW DELHI**

Submitted by



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DECLARATION

It is declared that the Research Study Report entitled **“Inspection of Beneficiaries and Evaluation of NBCFDC Schemes in the State of Tamil Nadu”** is based on the original research by the undersigned and that it is exclusively submitted to the **National Backward Classes Finance and Development Corporation (NBCFDC), New Delhi** done by Dr.Ambedkar Chair, Annamalai University. The undersigned also declares that this Research Report has neither been presented before, nor published earlier. The undersigned is solely responsible for that facts presented and views expressed in the research report.

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LIST OF ABBREVIATIONS

Abbreviation	Explanation
MSDE	Ministry of Skill Development and Entrepreneurship
NBCFDC	National Backward Classes Finance and Development Corporation
TABCEDCO	Tamil Nadu Backward Classes Economic Development Corporation Limited
SCA	State Channelizing Agency
DCCB	District Central Cooperative Bank
PACCS	Primary Agriculture Cooperative Credit Society
MFS	Micro Finance Scheme
GTL	General Term Loan
OBC	Other Backward Classes
SHG	Self Help Groups
BPL	Below Poverty Line
DBPL	Double Below Poverty Line

INSPECTION OF BENEFICIARIES AND EVALUATION OF NBCFDC SCHEMES IN THE STATE OF TAMIL NADU

BACKGROUND

National Backward Classes Finance & Development Corporation (NBCFDC) is a Govt. 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 Tamil Nadu NBCFDC provides financial assistance to its target groups through state channelizing agency nominated by state government namely Tamil Nadu Backward Class Economic Development Corporation (TABCEDCO) No 1/1(1), Mayor Ramanathan Road East, Egmore, Chennai . NBCFDC also provides Micro Financing through SCAs/ Self Help Groups (SHGs). The Corporation can assist 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 & 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 taken a lot of efforts by implementing various welfare schemes. In Tamil Nadu, with the help of NBCFDC the TABCEDCO 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 system of its implementation in Tamil Nadu. The result of the study will assist in fine tuning the NBCFDC schemes and enhance the empowerment process of backward classes.

After 1947, the Government of India has made various efforts to uplift the development. But some of the peoples in marginalized section is still continuing the low occupations with very low income. Therefore, they unable to fulfill their basic needs then forced to poverty. The Government on the other side takes immense legislative measures for economical, educational, social and political improvement of these peoples. At this juncture, it becomes very important to find out the real impact of NBCFDC schemes on the Beneficiaries life after availing the financial assistance. It is also vital to identify whether the backward classes are aware of these schemes and benefits.

RESEARCH QUESTIONS

In India, NBCFDC taking care of the duty to promote economic and development activities for the benefit of backward classes and implements schemes such as economic assistance to individuals and Self Help Groups to start entrepreneurial activities, skill development training etc. Every year this corporation distributed huge amount has been spent 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:

- Whether the Beneficiaries have improved their socio-economic status after availing themselves the financial assistance?
- 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, Annamalai University on behalf of NBCFDC for Beneficiaries assisted in Tamil Nadu in the year 2013 -14 to 2016-17 by Tamil Nadu Backward Class Economic Development Corporation (TABCEDCO).

OBJECTIVES OF THE STUDY

The major objectives of the present study are as follows:

- ❖ To identify the %age of Beneficiaries utilized the assistance from the SCAs under different schemes of NBCFDC for the intended purpose.
- ❖ To understand the %age 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 Tamil Nadu Backward Class Economic Development Corporation (TABCEDCO) based on feedback of Beneficiaries regarding the various aspects relating to business of TABCEDCO.
- ❖ To propose suggestions and recommendations for the improvements in the delivery mechanism and also for loan recovery performance.

METHODOLOGY

The main objective of the study is inspection of Beneficiaries and evaluation of NBCFDC schemes in the state of Tamil Nadu. A quantitative research approach is use to achieve the objective of this study. As per the proposed individual variables in the study a field study in a real setting appears most appropriate for this research. The study predominantly depends on Primary data and Secondary data. Primary data was collected by employing a structured questionnaire. It can be deduced that in Tamil Nadu there are about 1,54,555 Beneficiaries obtained loan from NBCFDC. Hence it was decided to select one %age of population for performing the evaluation study. Based on the multi stage sampling technique total of 1600 respondents' data will be collected for the study. The number of Beneficiaries (Sample size) selected for the study is 1600 which includes General Term Loan (GTL) and Micro Finance (MF) categories. The sampling area of study is selected based on zone and district wise in the state of Tamil Nadu.

SELECTION OF DISTRICTS AND COVERAGE OF THE STUDY

For the purpose of the study, the research team made a preliminary discussion with the secretary and special officer of TABCEDCO. After the discussion it is identified that District Central Cooperative Bank (DCCB) is the channelizing agent of TABCEDCO. The District Central Cooperative Bank (DCCB) will provide funds to PACCS and from the PACCS the funds goes to Ultimate beneficiary. So the research team decided to approach the beneficiary through the DCCB channel. For the administrative reason of DCCB the state of Tamil Nadu was divided into 23 districts, hence it was decided to select 13 districts randomly from 23 districts. Based on random selection the following districts namely Ariyalur, Chennai, Coimbatore, Cuddalore, Dharmapuri, Dindukal, Madurai, Nagapattinam, Pudukottai, Salem, Thiruvannamalai, Thiruvarur and Villupuram were selected. Data collection was done with the help of Beneficiaries. The research team approached the District

Central Cooperative Bank (DCCB) officials with the guidance from Registrar of Cooperatives. The District Central Cooperative Bank (DCCB) officials directed the Primary Agricultural Cooperative Credit Societies (PACCS) for meeting Beneficiaries. The secretary of Primary Agricultural Cooperative Credit Societies (PACCS) arranged meeting with Beneficiaries for collecting data from GTL and Micro Finance Schemes.

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

Chapter II: Research Methodology

Chapter III: Analysis and Interpretation of Data

Chapter IV: Findings

Chapter V: Suggestions

SUMMARY OF FINDINGS

1. During the data collection period the research team verified the KYC documents enclosed with the loan application. It is found that the SCA given loans to eligible backward classes and the beneficiaries are genuine.
2. While comparing the number of beneficiaries available in BPL during before and after loan period it is found that, 70 percent of beneficiaries are crossed from the below poverty line.
3. Further, while comparing the no. of beneficiaries available in DPL during before and after loan period, it is found that 28% of beneficiaries are crossed from the DPL.
4. Majority of the groups are getting Minimum of Rs.4,00,000/- and Maximum of Rs.6,00,000/- as loan amount. So, the average loan per SHG is Rs.5,00,000/-

5. Majority of Groups are having minimum of 12 members and maximum of 20 members. In an average there are 16 members in a group. Average loan per beneficiary is Rs. Rs.31,000/-
6. It is found that 11 % of respondents are Male and 89 % of respondents are Female. So, the Female respondents dominate the study. **The NBCFDC sponsored TABCEDCO Microcredit Scheme reaches grass root level in the villages of Tamil Nadu, paves a way for Women Empowerment.**
7. 94 % of respondents are living in Rural area and 6 % of respondents are living in Urban area. One of the greatest strength of the research is the study is focused more on Rural area. **The SHGs are more in Rural area than in Urban area. TABCEDCO is channelizing the Microcredit through PACCS which is situated in Rural area. Hence the study is focused in Rural areas.**
8. It is identified that 94.7 % of respondents are living in own house and 5.3 % of respondents are living in rented house. **Tamil Nadu Government is providing subsidized Housing loans to construct concrete houses, hence majority of the respondents are living in their own houses.**
9. It is observed that 50.7 % of respondents falls under Married category, 13.3 % of respondents falls under Unmarried category, 9.0 % of respondents falls under Widow category, 14.9 % of respondents falls under Divorced category and 12.1 % of respondents falls under Separated category. The interesting conclusion of marital status of respondents is, 36 % of Beneficiaries are living alone without any support from their husband. **Further it is concluded that married respondents availed more Micro Finance Scheme offered by NBCFDC through PACCS because they are having more responsibility to uplift the economic and social growth of the family.**
10. Occupation of beneficiaries is one of the dominating factors in all the research area in social sciences. Based on the various categories of occupation, the behavior may vary. The occupation classification of beneficiaries after getting loan is presented in the table 3.8. From the table, it is found that the 1301 beneficiaries are doing agriculture

and allied type of activities, 252 beneficiaries are doing small business type of activities, 2 beneficiaries are doing transport sector type of activities and 45 beneficiaries are doing other activities. It is concluded that majority of beneficiaries are doing agriculture and allied types of and meager beneficiaries are doing transport sector activities.

11. The family annual income of respondents Before loan is Rs.1,00,116/- and family annual income of respondents After loan is Rs.1,56,888/-. It is concluded from the results that, there is an increase of Rs.56,722/- annually (56.71 %) in the family average income of respondents after they availed the NBCFDC loan. It is further concluded that the vision of NBCFDC (To play a leading role in upliftment of economic status of the target group of the Backward Classes) is achieving at faster rate.
12. The study result explains that 77.1 % of respondents are not having any debt before TABCEDCO loan and 22.9 % of respondents are having some debt before TABCEDCO loan.
13. The results explain that, there are about 95.2 % of respondents availed loan under Micro Finance Scheme. 4.8 % of respondents availed loan under General Term Loan scheme. Since the demand is more for Micro Finance Scheme the TABCEDCO and NBCFDC offered more amount to Micro Finance Scheme and hence the research also focused more on Beneficiaries from Micro Finance Scheme.
14. From the results it is observed that about 52.6 % of respondents availed loan from TABCEDCO previously (Old Beneficiaries) and 47.4 % of respondents applied and received the loan for first time (New Beneficiaries).
15. The study results explains that the Secretary of PACCS and DCCB officials (62.4%) are playing important role for creating awareness about NBCFDC schemes. 20.9 % of respondents came to know about NBCFDC schemes from the public. 12 % of respondents came to know about the scheme by Advertisements. 4.6 % of respondents got awareness from his Family /Friends/Relatives and only 0.1 % of respondents came to know through websites.

16. Majority of respondents (84.8%) are not having idea about unit cost and pattern of assistance of NBCFDC schemes.
17. From the results it is observed that 57.1 of respondents expressed that they did not face any problem in getting loans. 42.9 % of beneficiaries expressed that they faced some problem during loan. Processing time is the major problem faced by the beneficiaries to avail loans. In some districts, the beneficiaries are facing problems for producing documents to avail loans. (e.g. PAN card). In Some cases, it was found that beneficiaries could avail loan after a delay of about six months.
18. Among 1600 respondents, 901 obtained loan in the year 2015-16, 415 obtained loan in the year 2014-15, 242 obtained loan in the year 2013-14 and 42 obtained loan in the year 2016-17.
19. Nature of activity for which assistance is availed by the respondents is measured. From the results in the table 3.19, it is noted that 65.6 percent of respondents are availed the loan for doing agriculture and allied activity. 34.3 percent of respondents are availed loan for doing small business and 0.1 percent of respondents are availed the loan for doing business in transport sector. Hence it is concluded that majority of respondents are availed loan under agriculture and allied activities.
20. The purpose of loan utilized by the beneficiaries is presented above table 3.26. From the results it is observed that majority of respondents (1301) are utilized loan for agriculture related activities, 252 beneficiaries utilized the loan for Small business type of activities, 2 beneficiaries utilized for Transport sector type of activities and 45 beneficiaries utilized the loan for other type of activities. Hence it is concluded that majority of respondents (97.2 %) are utilized the loan for the intended purpose.

21. 84.9 % of Beneficiaries expressed that the loan amount not sufficient according to the need and capacity. About 15.1 % of respondents expressed that the loan amount is sufficient.
22. It is found that 71.9 % of respondents received the loan at 4% interest, 10.9 % of respondents at 5% interest and 17.2 % of respondents at 6% interest. During the data collection stage it is found that some of the Beneficiaries are not having awareness about the interest rate. Also, Some PACCS are charging higher interest rate, which has to be monitored immediately.
23. From the survey, out of 1600 Beneficiaries 97.3 % of respondents are repaying the installments regularly to the SCAs. Remaining 2.7 % of respondents cannot able to pay installments regularly because of their Financial Constraints (Seasonal Business).
24. 4.8 % of respondents obtained GTL loan by giving bonds and property documents of their assets or family property as Surety. Likewise 95.2 % of Micro Finance respondents had given Agreement resolution and Group surety for availing loan from TABCDEDCO.
25. From the economic impact of loan it is found that a notable increase in access of financial resources. Hence it is concluded that due to NBCFDC schemes the financial literacy of beneficiary is increased. Because of Financial literacy they will take effective financial decisions and manage their money in better way.

RECOMMENDATIONS

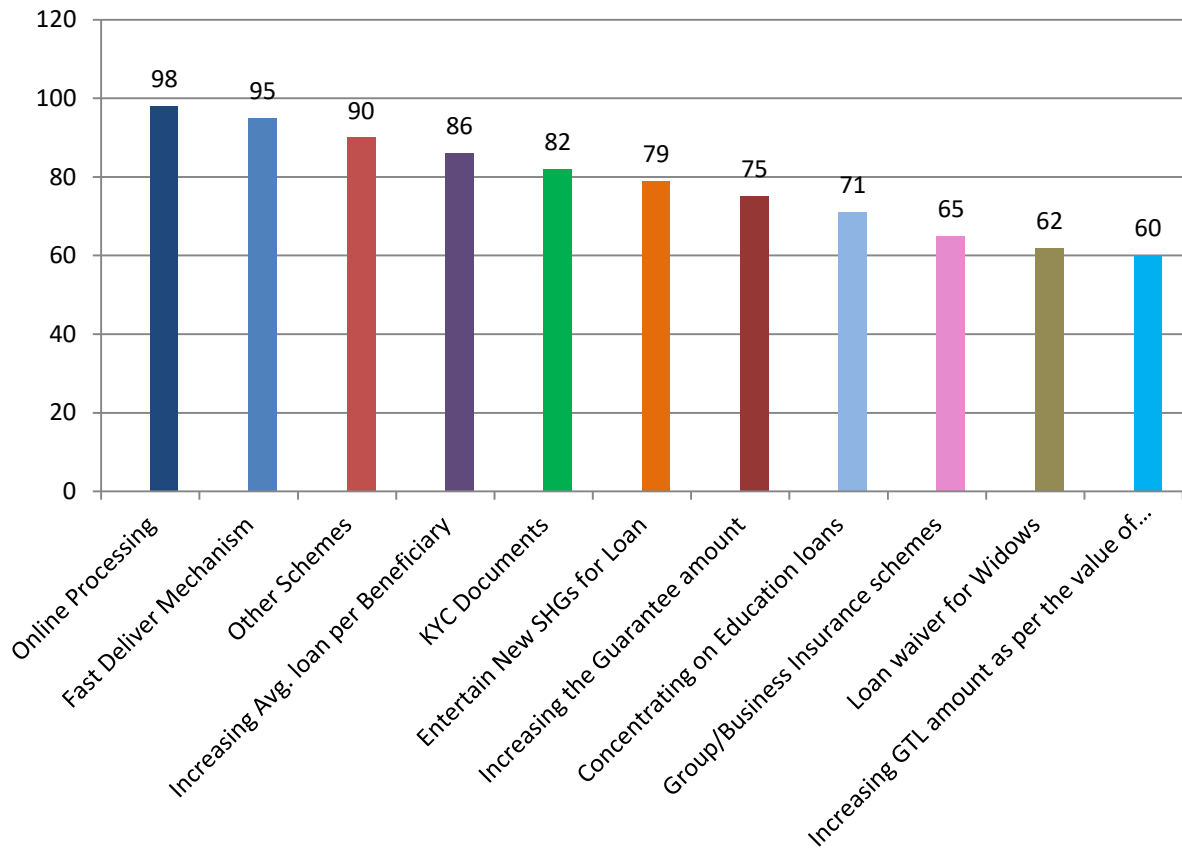
1. The Micro finance loan limit amount should be increased from 50,000 to 1,00,000 per beneficiary.
2. Skill Development Training is required for the SHG members; women members are more interested to do skill related business activities.
3. As there is no awareness about the NBCFDC and TABCEDCO which is the funding agency to provide loans to the Beneficiaries, the Advertisements and Publicity of NBCFDC is required to create awareness among the people.
4. Hoardings of NBCFDC and TABCEDCO can be displayed in the premises of Loan holder's shops, houses and PACCS office premises.
5. The application and their enclosures should be in a uniform and simplified manner which will ease the loan process.
6. TABCEDCO is expecting 50 % of their annual requirement (Loan amount) before the month of August/ September of every financial year and the remaining amount can be disbursed in next installment (i.e. Two installments), which reduces the time delay of disbursement of loans to the Beneficiaries.
7. In the entire state only Micro Credit loan is entertained. Apart from Micro Credit loan, other NBCFDC schemes should be entertained in all the districts of Tamil Nadu.
8. From the results it is found that only 12 percent of beneficiaries were got awareness by the way of advertisements. Hence state channelizing agencies should give wide publicity by way of advertisement about the schemes of NBCFDC.

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 DCCB and TABCEDCO.
2.	A detail mechanism should be devised by the PAACs, DCCBs and TABCEDCO to speed up the processing and disbursement of the loan by specific time-line i.e., a period of maximum three months.
3.	Micro credit loan is successfully going on in all the districts. Likewise, Other NBCFDC schemes like Term loan, Education Loan, Skill Development, etc. should be entertained in all the districts.
4.	From the feedback from the beneficiaries it is noted that the loan amount sanctioned by TABCEDCO is not sufficient for the beneficiaries, Hence the SCA should take steps for increasing the average loan per beneficiary. It should be increased from existing Rs.31,000/- to Rs 50,000/- per beneficiary.
5.	A standardized checklist should be followed in all PACCs for collecting KYC documents from the beneficiaries.
6.	State channelizing agencies should entertain more New Self-Help Groups for availing loan because from the study it is found that majority of loan amount given to the Existing self-help group members.
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 can be totally waived.

11.	Based on the budget of the project proposal, or business plan, the General Term Loan (GTL) amount can be increased depending upon the market value of the document of immovable property submitted by the beneficiary.
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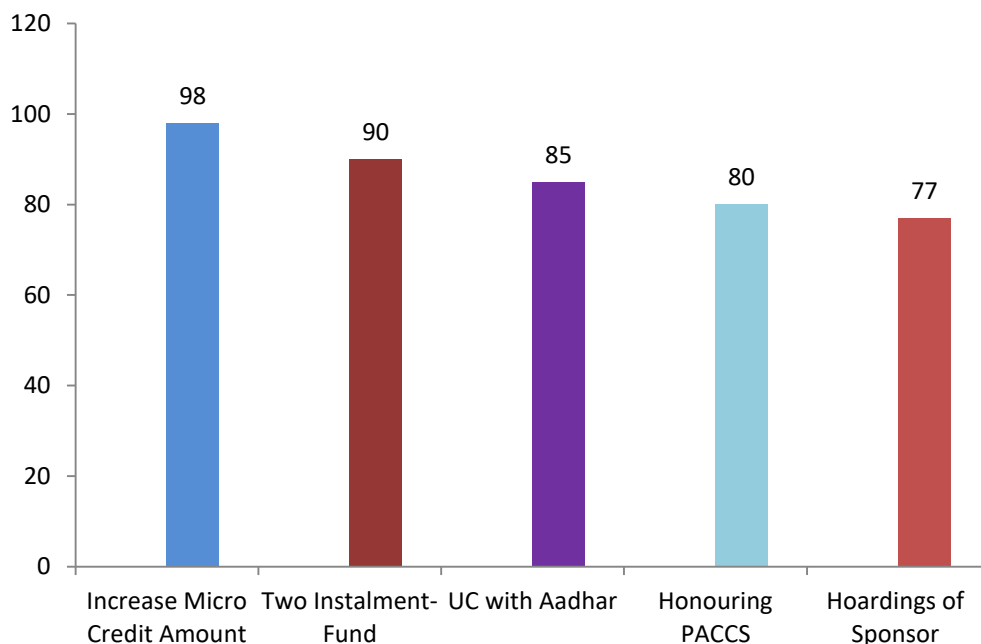
Actionable points at SCA level



List of Actionable points at NBCFDC level

Sl. No.	Actionable Points
1.	NBCFDC can encourage the PACCs and District Central Cooperative banks by honoring them with financial and non-financial rewards based on their outstanding performance.
2.	The NBCFDC should collect the Utilization certificate along with the list of beneficiaries with their respective Aadhar numbers through online from TABCEDCO.
3.	Special camps can be organized in PACCs level to educate the beneficiaries about the sponsoring agency (TABCEDCO & NBCFDC), the Hoardings of the sponsoring agency should be displayed in PACCs and the name of the sponsoring agency should be imprinted in Loan application and at project site of beneficiary.
4.	The fund may be released in two installments in a Financial year based on the demand requested from TABCEDCO, so that waiting time of beneficiaries is reduced.
5.	As Microcredit is in good success rate in Tamil Nadu, NBCFDC can allocate more loans to TABCEDCO, hence more untapped beneficiaries can be utilized through the scheme.

Actionable points at NBCFDC level



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CHAPTER – I

INTRODUCTION

1.1 BACKGROUND

National Backward Classes Finance & Development Corporation (NBCFDC) is a Govt. 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 Tamil Nadu NBCFDC provides financial assistance to its target groups through state channelizing agency nominated by state government namely Tamil Nadu Backward Class Economic Development Corporation (TABCEDCO) No 1/1(1), Mayor Ramanathan Road East, Egmore, Chennai . NBCFDC also provides Micro Financing through SCAs/ Self Help Groups (SHGs). The Corporation can assist a wide range of income generating activities to assist the poorer section of these classes in skill development and self-employment ventures.

1.2 VISION

To play a leading role in upliftment of economic status of the target group of the Backward Classes.

1.3 MISSION

To provide concessional financial assistance to the eligible members of the Backward Classes for Self employment ventures and Skill Development Training.

1.4 OBJECTIVES

- ❖ To promote economic & 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 up gradation of technical and entrepreneurial skills of Backward Classes for proper and efficient management of production units.

1.5 ELIGIBILITY

- ❖ Members of Backward Classes living below double the poverty line are eligible to obtain financial assistance by NBCFDC through State Channelizing 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.

1.6 ACTIVITIES WHICH CAN BE FINANCED

The Corporation can assist a wide range of income generating activities under following broad sectors:

- ❖ Agriculture & Allied Activities
- ❖ Small Business/Artisan & Traditional Occupation
- ❖ Transport Sector & 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.

1.7 HOW TO APPLY

- ❖ Prospective eligible beneficiaries should apply on prescribed form (available with the SCA) to District 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 fulfill 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 Tahsildar /Sub Divisional Magistrate/District Collector etc.

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

1.8 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.

1.8.1 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 BENEFC. 6% <i>(Loan above of Rs. 5 Lakh upto Rs 10 lakhs)</i> NBCFDC to SCA 4% SCA to BENEFC. 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

B. New Swarnima Special Scheme for Women

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 women is not required to invest any amount of her own on the projects upto 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 installments within maximum 10 years (including the moratorium period of six months on the recovery of principal).

C. 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 & 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 installments 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 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 installments within 48 months (including the moratorium period of six months on the recovery of principal).

iii- SKILL DEVELOPMENT TRAINING SCHEME OF NBCFDC

1. OBJECTIVES

To impart Skill Development Training in broad conformance to the Common Norms (relevant extracts enclosed) for upgradation of technical and entrepreneurial skills through Govt./State Govt./SCA / Training Institutes and Sector Skill Councils constituted by Ministry of Skill Development and Entrepreneurship, so that eligible members of Backward Classes may engage in developmental activities by way of self employment or wage employment.

2. ELIGIBILITY

2.1 Members of Backward Classes living below double the poverty line (Presently Rs. 98,000/- per annum in rural areas and Rs. 1,20,000/- per annum in urban areas). The income & caste certificates are issued by the competent authority of respective State Governments. The poverty line will be as defined by Govt. of India notifications issued from time to time.

2.2 In the case of migrant population, Income & Caste Certificates issued by their State of original domicile will be accepted.

3. AGE

The training may be imparted to persons of target group who are of 18 Years and above on date of completion of assessment/certification.

4. DURATION OF TRAINING

As per common norms issued by MSDE from time to time. (As appended)

- i) Fresh: Minimum 200 Hrs. (As per common norms notification dated 15.07.2015 & 20.05.2016 issued by Ministry of Skill Development & Entrepreneurship).
- ii) Re-skilling or Skill up gradation: Minimum 80 Hrs.
- iii) Recognition of Prior Learning: Minimum 32 Hrs.

1.8.2 OVERVIEW OF SCHEMES IMPLEMENTED IN TAMIL NADU

1. 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/ Benefi. Contri. 15%	(Upto loan of Rs. 5 Lakh) NBCFDC to SCA 3% SCA to BENEFC. 6% (Loan above Rs. 5 Lakh upto Rs 10 lakh) NBCFDC to SCA 4% SCA to BENEFC. 7%	10 Years

2. MICRO FINANCE

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.

1. From NBCFDC to TABCEDCO 2% p.a.
2. TABCEDCO to DCCB 2%
3. DCCB to PACCS 3%
4. PACCS to Beneficiary 5% p.a

Repayment

Loan is to be repaid in quarterly installments 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 date of disbursement

Rate of Interest

1. From NBCFDC to SCA 1% p.a.
 2. SCA to Beneficiary 4% p.a.
-
1. From NBCFDC to TABCEDCO 1% p.a.
 2. TABCEDCO to DCCB 1% p.a
 3. DCCB to PACCS 2% p,a
 4. PACCS to Beneficiary 4% p.a

Repayment

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

CHAPTER – II

RESEARCH METHODOLOGY

2.1 INTRODUCTION

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 Organization 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 backward classes' life 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. At this juncture, the need for well being of backward class was

given special attention through financial assistance. When finance becomes easily available, entrepreneurial activities will be initiated which make changes in their socio-economic life. For this purpose, Government of India allotting funds for socio-economic development activities of backward class families. In Tamil Nadu, the Tamil Nadu backward class economic development corporation has implemented various welfare schemes with the support of national backward classes' finance and development corporation, New Delhi for the benefit of these peoples.

This evaluation study is an attempt to expose the various term loan and microfinance schemes of TABCEDCO and to reveal the perceived impact and empowerment process among the backward in selected district of Tamil Nadu. The findings of the study will be of immense use to the planners, policy makers, NBCFDC people and researchers to design plans and execute suitable strategies for the weaker sections in the society.

2.2 NEED OF THE STUDY

Backward classes are class of people other than SC & 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 taken a lot of efforts by implementing various welfare schemes. In Tamil Nadu, with the help of NBCFDC the TABCEDCO 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 system of its implementation in Tamil Nadu. The result of the study will assist in fine tuning the NBCFDC schemes and enhance the empowerment process of backward classes.

2.3 IMPORTANCE OF THE STUDY

After 1947, the Government of India has made various efforts to uplift the development. But some of the peoples in marginalized section are still continuing the low

occupations with very low income. Therefore, they are unable to fulfill their basic needs and are then forced into poverty. The Government on the other side takes immense legislative measures for economical, educational, social and political improvement of these peoples. At this juncture, it becomes very important to find out the real impact of NBCFDC schemes on the beneficiaries' life after availing the financial assistance. It is also vital to identify whether the backward classes are aware of these schemes and benefits.

2.4 STATEMENT OF THE PROBLEM

In India, NBCFDC is taking care of the duty to promote economic and development activities for the benefit of backward classes and implements schemes such as economic assistance to individuals and Self Help Groups to start entrepreneurial activities, skill development training etc. Every year this corporation distributed huge amount has been spent 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:

- Whether the beneficiaries have improved their socio-economic status after availing themselves the financial assistance?
- 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, Annamalai University on behalf of NBCFDC for beneficiaries assisted in Tamil Nadu in the year 2013 -14 to 2016-17 by Tamil Nadu Backward Class Economic Development Corporation (TABCEDCO).

2.5 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 Tamil Nadu. 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 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 Tamil Nadu Backward Class Economic Development Corporation (TABCEDCO) based on feedback of beneficiaries regarding the various aspects relating to business of TABCEDCO.
- ❖ To propose suggestions and recommendations for the improvements in the delivery mechanism and also for loan recovery performance.

2.6 RESEARCH APPROACH

Commonly, a quantitative research approach is appropriate for a study if (i) the research model extends beyond descriptive analysis; (ii) hypotheses testing is required and (iii) the constructs are unobservable in nature. This research is consistent with prior research on evaluation of loan schemes. In addition to that the research model theoretically developed extends beyond descriptive analysis; and the hypotheses of the study require hypothesis testing; and the constructs are latent (i.e. unobservable) in nature. Therefore, a quantitative research approach is considered a suitable methodology to achieve the objective of this study.

Exploration, description and explanation are the three common natures of research in social science. Researchers generally conduct exploratory research for studying initial rough understanding of some phenomenon whereas conducting descriptive research for describing the precise measurement and reporting the characteristics of some population or phenomenon under study. An explanatory research is called as hypothesis testing (analytical and predictive) research, is generally conducted to discover and report some relationships among different perspectives of the phenomenon under study. This study is an explanatory research because potential drivers of evaluation have been identified above and

the aim of this study is to evaluate the influences of these drivers on performance of the schemes.

2.7 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. A field study is usually to be the most feasible and economical method to examine a complicated phenomenon and it produces relatively strong effects of independent variables on as per the proposed individual variables in the study a field study in a real setting appears most appropriate for this research. Dependent variables and thus enhances the statistical conclusion of the results.

2.8 SOURCE OF DATA

2.8.1 PRIMARY DATA

When collecting data and information for investigation the research objectives, the interview schedule will be as the primary data tool. This is because of the intricate nature of the research area. Hence, interview schedule becomes the natural way of gathering primary data. Primary data formed the core of the research study.

2.8.2 SECONDARY DATA

Compared to primary data, secondary data is fairly inexpensive. The literature research was collected from the office of the state channelizing agencies at Head Office and District levels.

2.9 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 commonly depends on the circumstances of the research. For this study self-administered

interview schedule was adopted as the method. This study was conducted on the street in the selected districts in Tamil Nadu.

2.10 POPULATION AND SAMPLING

2.10.1 UNIT OF ANALYSIS

A 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 selected districts of Tamil Nadu, who have availed the loan under any schemes from SCAs of NBCFDC namely TABCEDCO.

2.10.2 POPULATION

The population of interest of this study is NBCFDC beneficiaries in Tamil Nadu. The population of the study defined from the utilization certificate submitted by SCAs to NBCFDC. Thus, it can be deduced that in Tamil Nadu there are about 1,54,555 beneficiaries obtained loan from NBCFDC. Hence it was decided to select one percentage of population for performing the evaluation study.

2.10.3 SAMPLING AREA OR ZONE WISE ASSESMENT OF BENEFICIARIES IN TAMIL NADU

The total Tamil Nadu is divided into administrative units. These administrative units of Tamil Nadu are classified based on the district. There are 32 districts in Tamil Nadu and for revenue administration purposes, these thirty two districts are divided into four zones namely central zone, north zone, south zone and west zone. The districts available in each zone are further divided to Taluks, blocks and revenue villages. The main objective of the study is inspection of beneficiaries and evaluation of NBCFDC schemes in the state of Tamil Nadu. The sampling area of study is selected based on zone and district wise in the state of Tamil Nadu because, to give equal weightage for all areas.

2.10.4 SELECTION OF DISTRICTS

For the purpose of the study, the research team made a preliminary discussion with the secretary and special officer of TABCEDCO, after the discussion it is identified that

The State Cooperative Bank is the channelizing agent of TABCEDCO. The State Cooperative Bank transfer the funds to District Central Cooperative Bank. The district central cooperative bank will provide funds to PACCS and from the PACCS the funds goes to Ultimate beneficiary. So the research team decided to approach the beneficiary through the DCCB channel. For the administrative reason of DCCB the state of Tamil Nadu was divided into 23 districts. Hence it was decided to select 13 districts randomly from the 23 districts. Based on random selection the following districts namely Ariyalur, Chennai, Coimbatore, Cuddalore, Dharmapuri, Dindukal, Madurai, Nagapattinam, Pudukottai, Salem, Thiruvannamalai, Thiruvarur and Villupuram were selected.

SELECTION OF BENEFICIARY FROM EACH SELECTED DISTRICTS

District		Name of the scheme in which assistance is availed		Total
		General Term loan	Micro Finance Scheme	
District	Ariyalur	0	193	193
	Chennai	17	0	17
	Coimbatore	15	35	50
	Cuddalore	0	84	84
	Dharmapuri	0	184	184
	Dindukal	0	69	69
	Madurai	0	120	120
	Nagapattinam	0	63	63
	Pudukottai	0	52	52
	Salem	0	285	285
	Thiruvannamalai	0	225	225
	Thiruvarur	45	0	45
	Villupuram	0	213	213
Total		77	1523	1600

2.10.5 SAMPLING TECHNIQUE

For the study multistage random sampling method was used for collecting necessary primary data. In the first stage out of thirty two revenue districts and twenty three administrative district of DCCB, thirteen districts of Tamil Nadu were selected. In the second stage from each district three taluk selected randomly. In the third stage from each taluk, a primary agriculture cooperative credit society (PACCS) will select randomly. Finally, from each PACCS the respondents were selected randomly. So a sample of 1600 respondents was collected from selected districts of Tamil Nadu to do inspection of beneficiaries and to evaluate the NBCFDC schemes.

2.10.6 SAMPLE SIZE

The sample size refers how many respondents need to collect data in order to get the results that reflect population as precisely as needed. 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 $n= 1600$. So based on the multi stage sampling technique total of 1600 respondents' data will be collected for the study. The number of beneficiaries (Sample size) selected for the study is 1600 which includes General Term Loan (GTL) and Micro Finance (MF) categories

GTL	77 Beneficiaries
Micro Finance Scheme	1523 Beneficiaries.

The number of beneficiary under microfinance is more in sample because TABCEDCO avails most loans under micro finance scheme as compared to Term Loan scheme.

2.10.7 No. OF SHGs (BENEFICIARIES) & PACCS VISITED

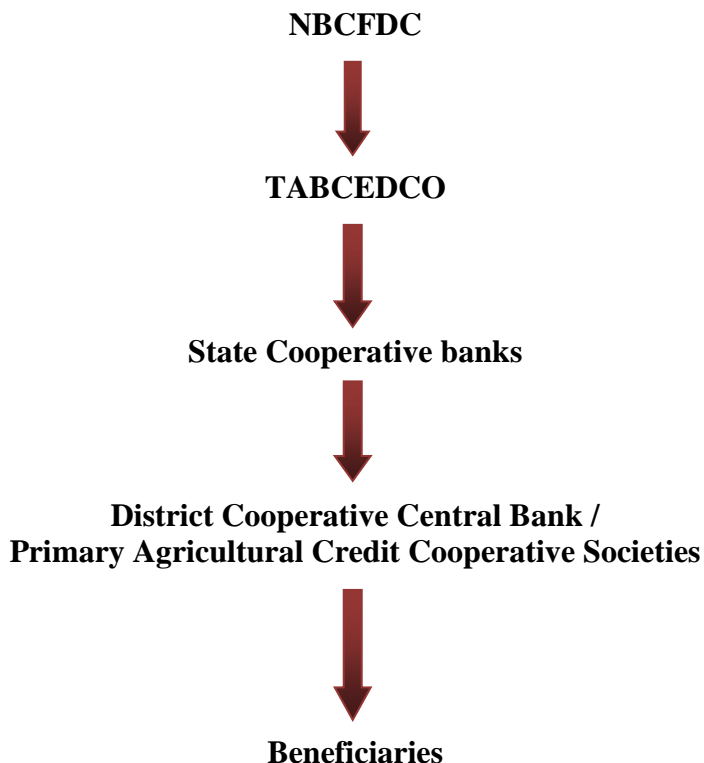
In a PACCS the research team visited 4 groups and interviewed 6 to 8 members. Total of 50 PACCS were visited by our research team members in the various Districts selected for the study.

CENTRAL			WEST			SOUTH			NORTH		
Name	GTL	MFS	Name	GTL	MFS	Name	GTL	MFS	Name	GTL	MFS
Ariyalur	--	193	Dharmapuri	--	184	Dindigul	--	69	Chennai	57	--
Karur	--	--	Coimbatore	--	50	Kanyakumari	--	--	Cuddalore	--	84
Nagapattinam	--	63	Erode	--	--	Madurai	--	120	Kanchipuram	--	--
Perambalur	--	--	Krishnagiri	--	--	Ramanadhapuram	--	--	Thiruvallur	--	--
Pudukkottai	--	52	Namakkal	--	--	Sivagangai	--	--	Thiruvannamalai	--	225
Thanjavur	--	--	Nilgiris	--	--	Theni	--	--	Vellore	--	--
Trichy	--	--	Salem	--	285	Thoothukudi	--	--	Villupuram	--	213
Thriuvavur	45	--	Tirupur	--	--	Thirunelveli / Virudhunagar	--	--			
Total	353		Total	519		Total	189		Total	539	

2.11 SELECTION OF BENEFICIARIES

The main objective of the study is to evaluate the socio-economic impact of the NBCFDC schemes on the lives of beneficiaries. For answering the objectives the research team collected the list of beneficiaries from Tamil Nadu Backward Class Economic Development Corporation (TABCEDCO). With the help of list of beneficiaries the research team approached the District Central Cooperative bank officials with the guidance from registrar of cooperatives. The District Central Cooperative bank officials directed the Primary Agricultural Cooperative Credit Societies (PACCS) for meeting beneficiaries. The secretary of Primary Agricultural Cooperative Credit Societies (PACCS) arranged the beneficiaries for collecting data from GTL and Micro Finance Schemes.

FLOW OF LOAN AMOUNT FROM NBCFDC TO BENEFICIARY



2.11.1 LOAN SANCTIONING SYSTEM

The loan applications for availing TABCEDCO Loan are available in TABCEDCO Office / District Backward Classes and Minorities welfare officer in Districts, District Cooperative Banks, Primary cooperative credit society (PACCS) at free of cost. The beneficiaries may submit their applications at the office of the District Backward Classes and Minorities welfare officer in Districts, Office of the Joint Registrar of co-operative societies, Co-operative Bank branches and at the Primary cooperative credit society.

2.11.2 KYC DOCUMENTS FOR LOAN PROCESSING

1. Community and Income Certificate
2. Ration Card
3. AADHAR card

4. Purpose of loan (details of Trade)
5. Project Report (In case of Big Projects)
6. Driving License (For Transport Vehicles)
7. Other documents as required by the Bank

After scrutiny and ensuring the viability of the schemes and credit worthiness of the applicant by the PACCS and co-operative Banks, the applications are being placed before the District Screening Committee in the respective Districts. Beneficiaries are being selected by the Screening Committee functioning at District level and the District Screening committees recommend for sanction of loan to such beneficiaries through Co-operative Banks together with Form 'A'.

On receipt of proposals from the Regional Joint Registrar of Co-operative Societies, the same will be scrutinized by TABCEDCO and if it is in order necessary Memorandum of Agreement-cum-Provisional Sanction Order will be issued to the concerned Banks for acceptance. After the receipt of Memorandum of Agreement cum-Provisional Sanction Order accepting the terms and conditions, release order along with cheque and repayment schedule will be sent to the Bank.

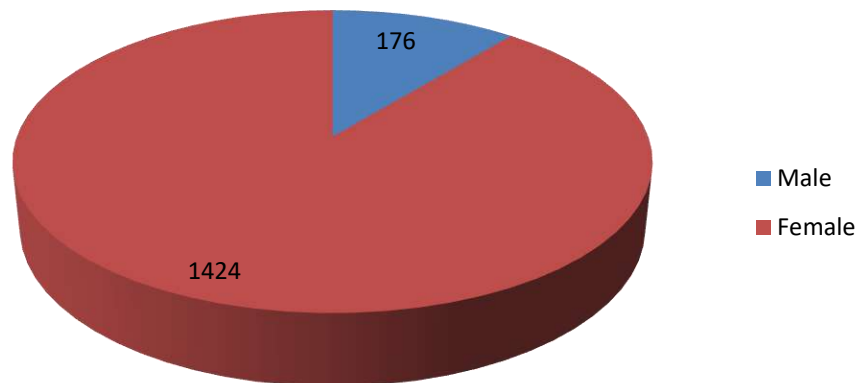
CHAPTER – III

ANALYSIS AND INTERPRETATION

Table 3.1 Male and Female Percentage of Beneficiaries

Gender	Number of Beneficiaries	Percentage
Male	176	11.0
Female	1424	89.0
Total	1600	100.0

Gender of Beneficiaries

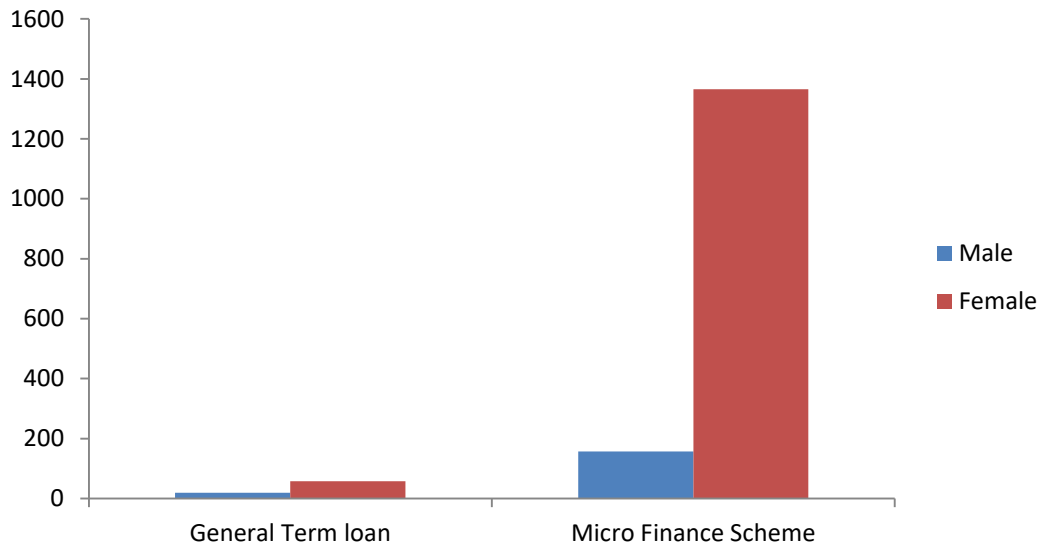


The Gender is an important variable which influences the socio economic conditions of the family. Hence, it is important to study the Gender distribution of beneficiaries. From the Table 3.1, it is found that 11 % of respondents are Male and 89 % of respondents are Female. So, the Female respondents dominate the study.

Table 3.2 Loan pattern for Male and Female

		Name of the scheme in which assistance is availed		Total
		General Term loan	Micro Finance Scheme	
Gender	Male	19	157	176
	Female	58	1366	1424
Total		77	1523	1600

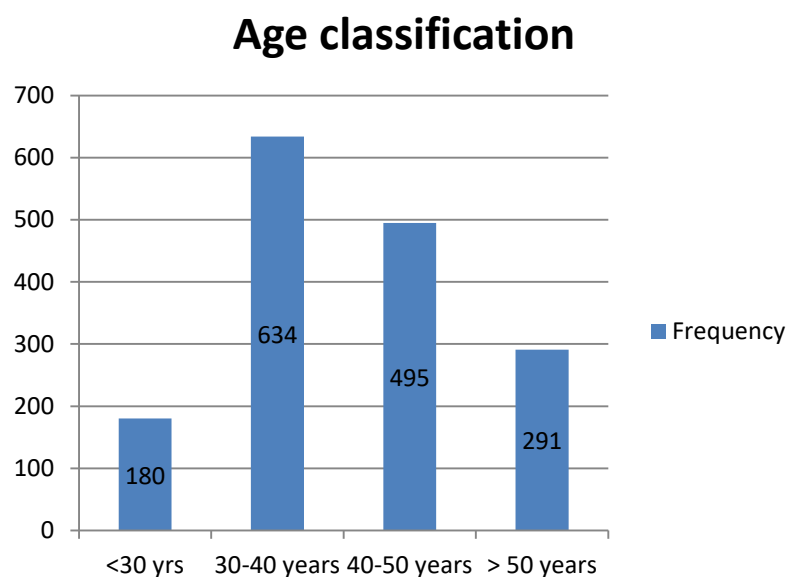
Loan Pattern for Male and Female



From the above Table 3.2 it is found that, 19 Male beneficiaries and 58 Female beneficiaries got loan from General Term Loan scheme. 157 Male beneficiaries and 1336 Female beneficiaries got loan from Micro Finance Scheme.

Table 3.3 Age Classification of beneficiaries

Age Classification	Number of Beneficiaries	Percentage
<30 yrs	180	11.3
30-40 years	634	39.6
41-50 years	495	30.9
> 50 years	291	18.2
Total	1600	100.0

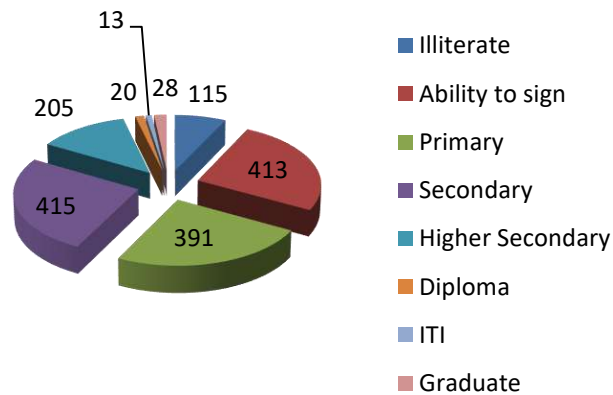


Physical and Psychological development of an individual is related to his or her age. It thus influences the interest and needs of an individual. It also plays a vital role in deciding future goals and expectations. From the Table 3.3, it is found that the majority of respondents i.e. 39.6 % falls under category of 30 – 40 years, 30.9 % of respondents falls under the category of 40-50 years, 18.2 % of respondents falls under >50 years and only 11.3 % of respondents falls under < 30 years category. So, it is concluded that the majority of respondents are in 30 – 40 years category.

Table 3.4 Educational Status of Beneficiaries

Educational Status	Number of Beneficiaries	Percentage
Illiterate	115	7.2
Ability to sign	413	25.8
Primary	391	24.4
Secondary	415	25.9
Higher Secondary	205	12.8
Diploma	20	1.3
ITI	13	0.8
Graduate	28	1.8
Total	1600	100.0

Frequency



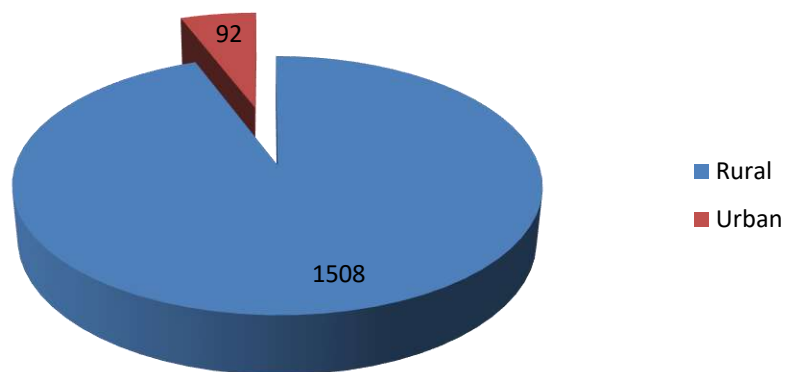
Various categories of Education included in the study are Illiterate, Ability to sign, Primary, Secondary, Higher Secondary, Diploma, ITI and Graduate. From the above Table 3.4, it is observed that 7.2 % of respondents falls under Illiterate, 25.8 % of respondents falls under Ability to sign category, 24.4 % of respondents falls under Primary category, 25.9 % of respondents falls under Secondary category, 12.8 % of respondents falls under

Higher Secondary category, 1.3 % of respondents falls under Diploma category, 0.8 % of respondents falls under ITI category and 1.8 % of respondents falls under Graduate category. From the above Table it is concluded that 96.1 % of beneficiaries completed maximum of school level education only. Hence they are the needy peoples for loan amount.

Table 3.5 Beneficiaries Place of Residence

Place of Residence	Number of Beneficiaries	Percentage
Rural	1508	94
Urban	92	6
Total	1600	100.0

Place of Residence

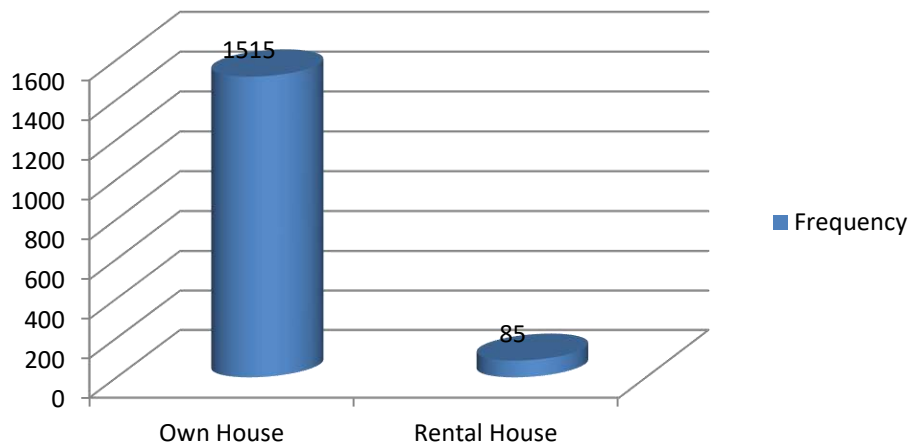


From the Table 3.5 it is found that 94 % of respondents are living in Rural area and 6 % of respondents are living in Urban area. One of the greatest strength of the research is that the study is focused more in Rural areas.

Table 3.6 Type of Residence living

Type of Residence	Number of Beneficiaries	Percentage
Own House	1515	94.7
Rental House	85	5.3
Total	1600	100.0

Type of Residence

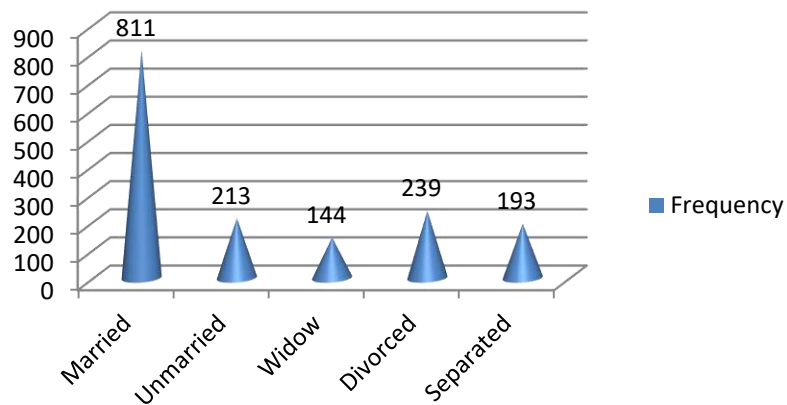


From the Table 3.6 it is found that 94.7 % of respondents are living in own house and 5.3 % of respondents are living in rented house.

Table 3.7 Marital status of Beneficiaries

Marital status	Number of Beneficiaries	Percentage
Married	811	50.7
Unmarried	213	13.3
Widow	144	9.0
Divorced	239	14.9
Separated	193	12.1
Total	1600	100.0

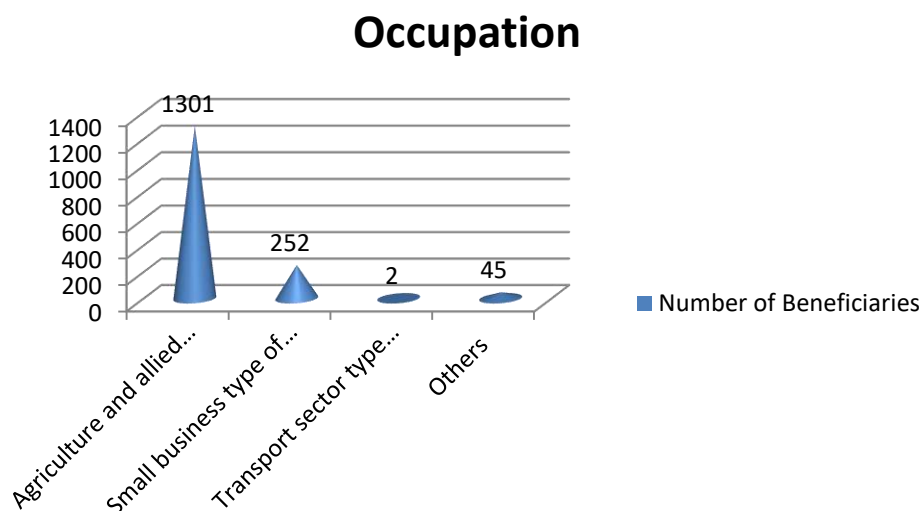
Marital Status



Various categories of Marital status included in the study are Married, Unmarried, Widow, Divorced and Separated. From the Table 3.7, it is observed that 50.7 % of respondents falls under married category, 13.3 % of respondents falls under unmarried category, 9.0 % of respondents falls under widow category, 14.9 % of respondents falls under divorced category and 12.1 % of respondents falls under separated category. The interesting conclusion of marital status of respondents is 36 % of beneficiaries are living alone without any support from their husband. Further it is concluded that married respondents availed more Micro Finance Scheme offered by NBCFDC through PACCS because they are having more responsibility to uplift the economic and social growth of the family.

Table 3.8 Occupation classification of Beneficiaries after taking Loan

Occupation classification	Number of Beneficiaries	Percent
Agriculture and allied type of activities	1301	81.3125
Small business type of activities	252	15.75
Transport sector type of activities	2	0.125
Others	45	2.8125
Total	1600	100.0

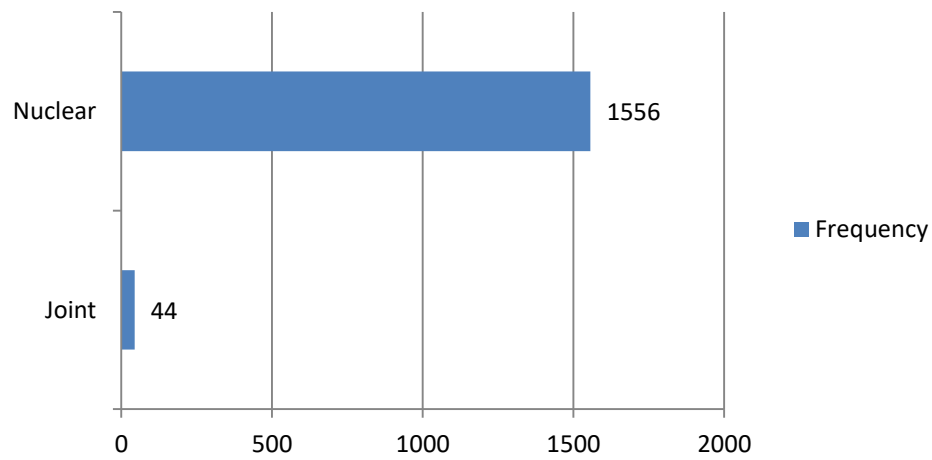


Occupation of beneficiaries is one of the dominating factors in all the research area in social sciences. Based on the various categories of occupation, the behavior may vary. The occupation classification of beneficiaries after getting loan is presented in the table 3.8. From the table, it is found that the 1301 beneficiaries are doing agriculture and allied type of activities, 252 beneficiaries are doing small business type of activities, 2 beneficiaries are doing transport sector type of activities and 45 beneficiaries are doing other activities. It is concluded that majority of beneficiaries are doing agriculture and allied types of and meager beneficiaries are doing transport sector activities.

Table 3.9 Nature of the family of Beneficiaries

Nature of the family	Number of Beneficiaries	Percentage
Joint	44	3
Nuclear	1556	97
Total	1600	100.0

Nature of Family

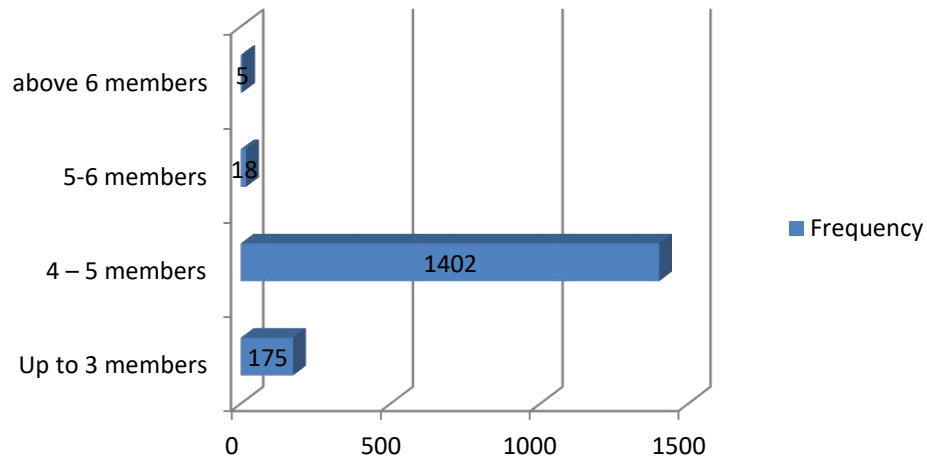


Family type differentials may also have effect. So, it is important to know the family type distribution of respondents. From the Table 3.9, it is found that 97 % of respondents are from nuclear family category and 3 % of respondents are from joint family category.

Table 3.10 Size of the Family of Beneficiaries

Size of the Family	Number of Beneficiaries	Percentage
Upto 3 members	175	10.9
4 – 5 members	1402	87.6
5-6 members	18	1.1
above 6 members	5	.3
Total	1600	100.0

Family size



From the Table 3.10 it is found that, 87.6 % of the respondent’s families are having 4-5 members. 10.9 % of the respondents families are having 3 members and 1.4 % of the respondents families are having 5-6 and above 6 members. So it is concluded that majority of the beneficiaries are living with 4 to 5 members in the family.

Table 3.11 Economic status of beneficiaries before and after getting the loan

Economic status before loan	Number of Beneficiaries	%	Economic status after loan	Number of Beneficiaries	Percentage
BPL	543	33.9	BPL	162	10.1
DBPL	1057	66.1	DBPL	760	47.5
Total	1600	100.0	Above DBPL	678	42.4
			Total	1600	100.0

Economic status of beneficiaries before and after getting loan is presented in the above Table 3.11. From the Table it is found that 66.1 % of beneficiaries are in the status of double below poverty line and 33.9 % of beneficiaries are in below poverty line before getting loan. It is further identified that after the loan was availed, 10.1 % of respondents are in below poverty line, 47.5 % of respondents are in double below poverty line and 42.4 % of respondents are above the double the below poverty line. Hence it is concluded that for 23.8 % beneficiaries, the economic status changed from BPL to DBPL or Above DBPL and for 18.6 % beneficiaries, the economic status changed from DBPL to Above DBPL. About 10.1 % of respondents are still in BPL after the loan was availed. It may be due to the loan was availed before few weeks or months before the data was collected.

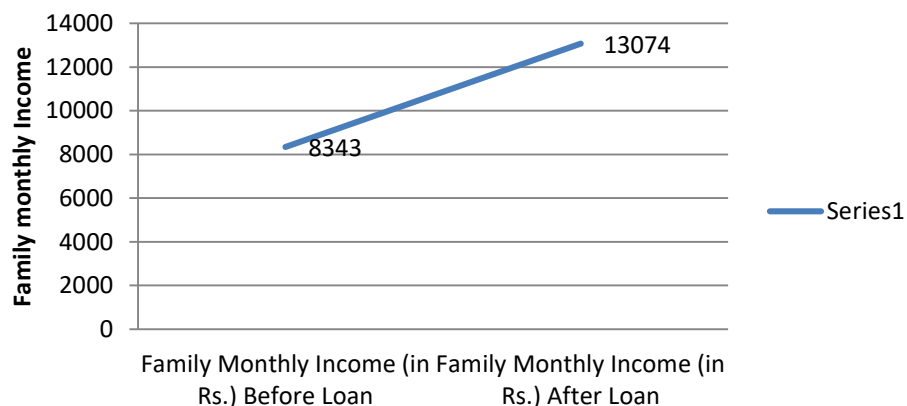
While comparing the number of beneficiaries available in BPL during before and after loan period, it is found that, 70% of beneficiaries are crossed from the below poverty line.

Further, while comparing the no. of beneficiaries available in DPL during before and after loan period, it is found that 28% of beneficiaries are crossed from the DPL.

Table 3.11(a) Average Family Monthly Income of Respondents Before and After loan

Family Monthly Income (in Rs.) Before Loan	8343
Family Monthly Income (in Rs.) After Loan	13074

Average Family Monthly Income of Respondents

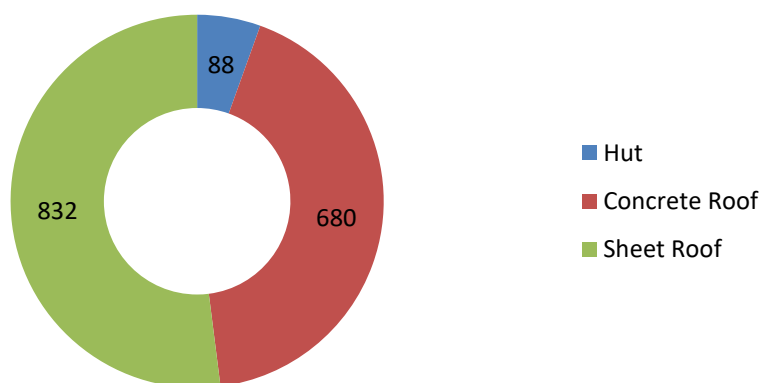


The average Family monthly income of respondents before and after loan is presented in the Table 3.11(a). From the results it is observed that the family monthly income of respondents before loan is Rs.8,343/- and family monthly income of respondents after loan is Rs.13,074/-. It is concluded from the results that, there is an increase of Rs.4,731/- monthly in the family income of respondents after they availed the NBCFDC loan. It is further concluded that the vision of NBCFDC (To play a leading role in upliftment of economic status of the target group of the Backward Classes) is achieving at faster rate.

Table 3.12 Nature of House Occupied by Beneficiaries

Nature of House Occupied	Number of Beneficiaries	Percentage
Hut	88	5.5
Concrete Roof	680	42.5
Sheet Roof	832	52.0
Total	1600	100.0

Nature of House occupied

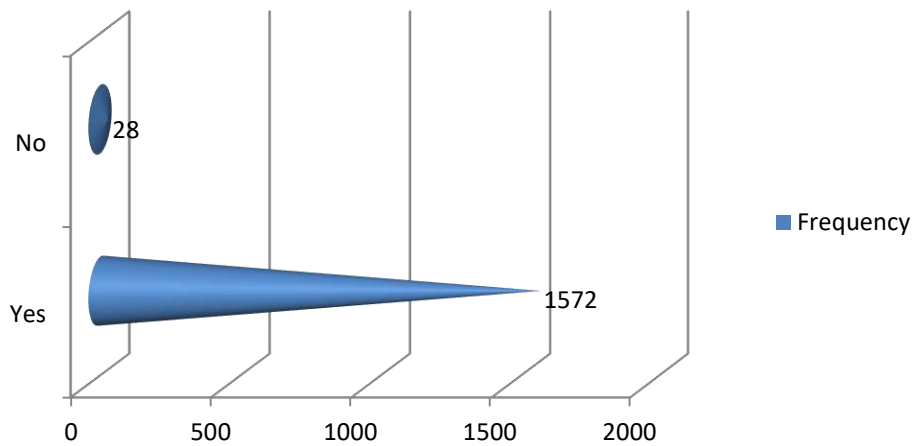


From the above Table 3.12 it is found that 52 % of respondents are living in sheet roof. 42.52 % of respondents are living in concrete roof. 5.5 % of respondents are living in huts.

Table 3.13 Aadhar card Status of Beneficiaries

Aadhar card status	Number of Beneficiaries	Percentage
Yes	1572	98.3
No	28	1.7
Total	1600	100.0

Aadhar card Status

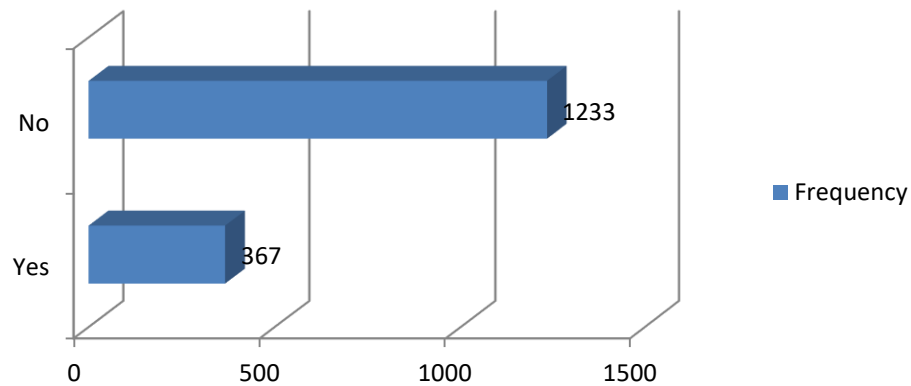


From the above Table 3.13 it is found that 98.3 % of respondents are having Aadhar card and 1.8 % of respondents are not having Aadhar card.

Table 3.14 Status of Household Debt before TABCEDCO Loan

Having household debt except TABCEDCO before loan	Number of Beneficiaries	Percentage
Yes	367	22.9
No	1233	77.1
Total	1600	100.0

Status of Household Debt before TABCEDCO loan

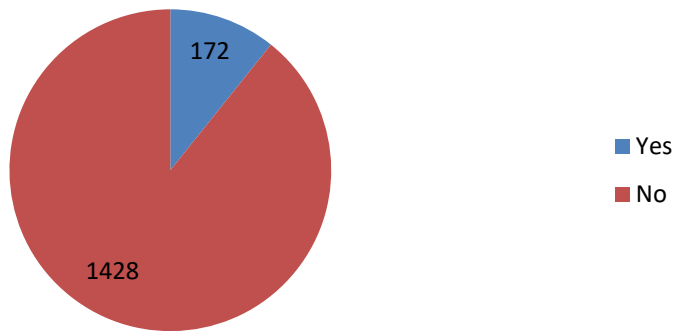


The status of respondents having household debt except TABCEDCO before loan was presented in the above Table 3.14. From the results it is found that 77.1 % of respondents are not having any debt before TABCEDCO loan and 22.9 % of respondents are having some debt before TABCEDCO loan.

Table 3.15 Status of Household Debt after TABCEDCO loan

Having Household Debt after TABCEDCO loan	Number of Beneficiaries	Percentage
Yes	172	10.7
No	1428	89.3
Total	1600	100.0

Status of Household Debt after TABCEDCO loan

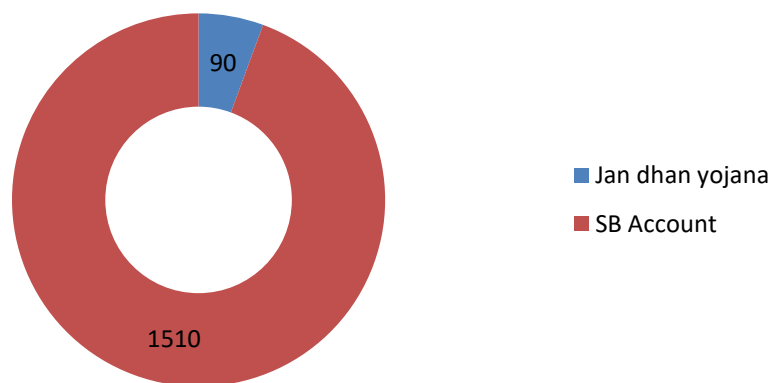


The status of respondents having household debt except TABCEDCO after loan was presented in the above Table 3.15. From the results it is found that 89.3 % of respondents are not having any debt after TABCEDCO loan and 10.7 % of respondents are having some debt after TABCEDCO loan. While comparing the beneficiaries status of household debt before and after loan during the study period, it is concluded that there are about 195 beneficiaries are free from debt from other Private Finance.

Table 3.16 Type of Bank Account of Beneficiaries

Type of Account having	Number of Beneficiaries	Percentage
Jan Dhan Yojana	90	5.6
SB Account	1510	94.4
Total	1600	100.0

Type of Bank Account of Beneficiaries

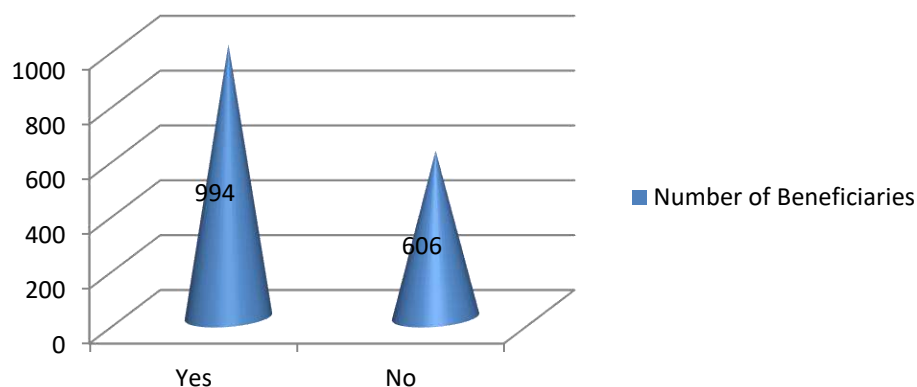


Type of bank account holding also checked during the study. From the above Table 3.16 it is observed that 94.4 % of respondents having normal savings bank account and 5.6 % of respondents are having Jan Dhan Yojana account.

Table 3.17 Status of Aadhar link with Bank account

Status of Aadhar link with Bank	Number of Beneficiaries	Percentage
Yes	994	62.1
No	606	37.9
Total	1600	100.0

Status of Aadhar link with Bank account

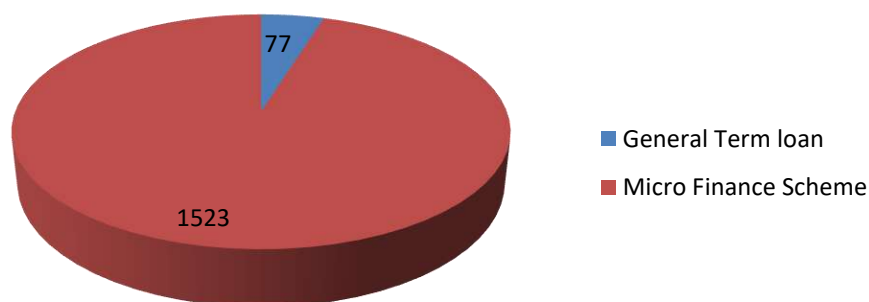


Government of India taking more initiatives to link Aadhar number with bank account, it is also measured during the study. The positive impact of that initiative is observed from the study because from the above Table 3.17, it is observed that 62.1 % of respondents had linked their Aadhar with bank account and remaining 37.9 % of respondents did not linked their Aadhar with bank account.

Table 3.18 The scheme in which assistance is Availed

Name of the scheme in which assistance is availed	Number of Beneficiaries	Percentage
General Term loan	77	4.8
Micro Finance Scheme	1523	95.2
Total	1600	100.0

Name of the scheme in which assistance is Availed

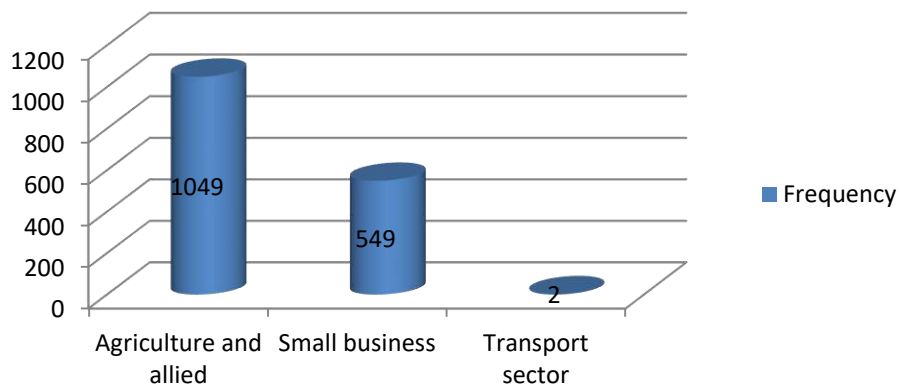


There are seven categories of NBCFDC schemes available for the benefits of backward peoples but only the General Term Loan and Micro Finance schemes have been concentrated in Tamil Nadu. From the Table 3.18, it is found that 95.2 % of respondents are availed loan under Micro Finance scheme. 4.8 % of respondents availed loan under General Term Loan scheme. Since the demand is more for Micro Finance scheme, TABCEDCO and NBCFDC offered more amount to Micro Finance scheme and hence the research also focused on more beneficiaries from Micro Finance scheme.

Table 3.19 Nature of activity for which assistance is availed

Nature of activity for which assistance is availed	Number of Beneficiaries	Percent
Agriculture and allied type of activities	1049	65.6
Small business type of activities	549	34.3
Transport sector type of activities	2	00.1
Total	1600	100.0

Nature of activity for which assistance is availed

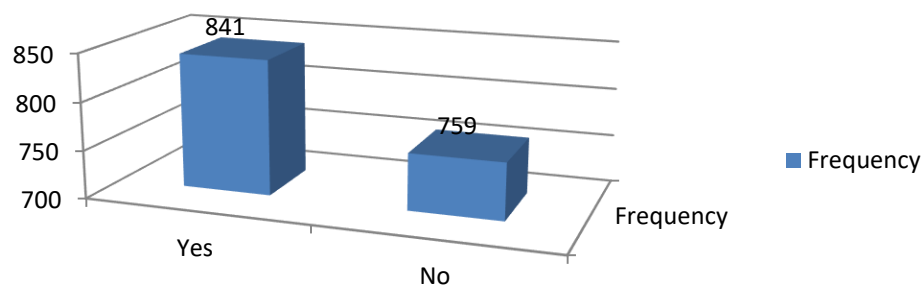


Nature of activity for which assistance is availed by the respondents is measured. From the results in the table 3.19, it is noted that 65.6 percent of respondents are availed the loan for doing agriculture and allied activity. 34.3 percent of respondents are availed loan for doing small business and 0.1 percent of respondents are availed the loan for doing business in transport sector. Hence it is concluded that majority of respondents are availed loan under agriculture and allied activities.

Table 3.20 Previous experiences towards TABCEDCO loan.

Have you ever applied loan from TABCEDCO?	Number of Beneficiaries	Percentage
Yes	841	52.6
No	759	47.4
Total	1600	100.0

Have you ever applied loan from TABCEDCO?

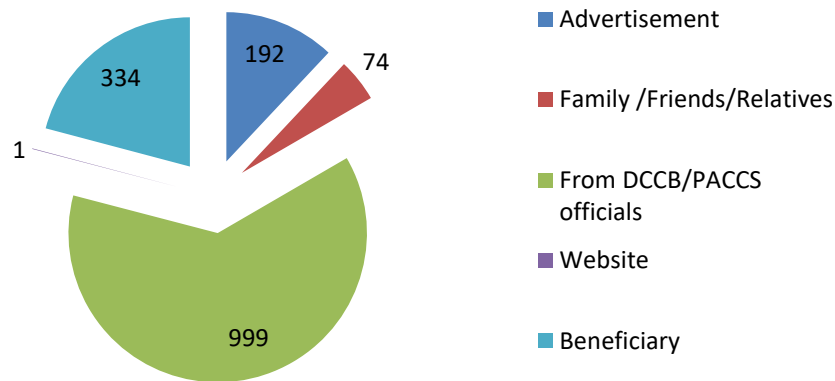


Previous experience level about loan from TABCEDCO was asked among respondents. From the results in the Table 3.20, it is observed that about 52.6 % of respondents availed loan from TABCEDCO previously and 47.4 % of respondents applied and got the loan first time. From the Table figures it is concluded that nearly half of the beneficiaries are applying the loan for first time.

Table 3.21 Sources of Awareness about NBCFDC

Sources of Awareness about NBCFDC	No. of Beneficiaries	Percentage
Advertisement	192	12.0
Family /Friends/Relatives	74	4.6
From DCCB and PACCS officials	999	62.4
Website	1	.1
Beneficiary	334	20.9
Total	1600	100.0

Frequency

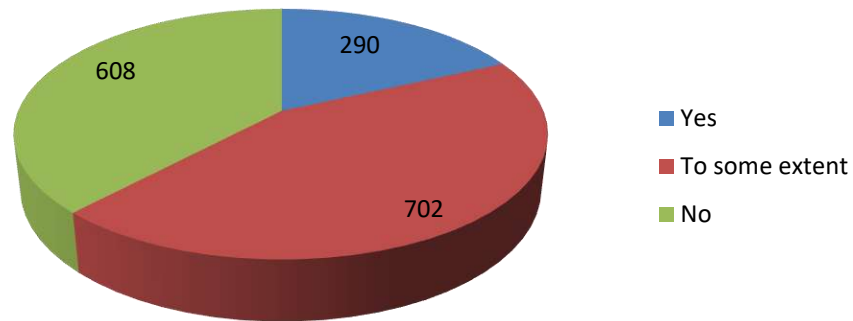


It is found from the study NBCFDC is taking greater efforts for creating awareness about its scheme by updating in its Webpage, Advertisement, and Toll free number in application form. Sources of awareness about NBCFDC schemes were asked among the respondents. From the results in the Table 3.21, it is observed that secretary of PACCS and DCCB officials (62.4%) are playing an important role for creating awareness about NBCFDC schemes. 20.9 % of respondents came to know about NBCFDC schemes from the public. 12 % of respondents came to know by Advertisements, 4.6 % of respondents got awareness from his family /friends/ relatives and only 0.1 % of respondents came to know about the NBCFDC schemes from websites.

Table 3.22 Awareness Level about other schemes

Awareness level about other schemes	Number of Beneficiaries	%
Yes	290	18.1
To some extent	702	43.9
No	608	38.0
Total	1600	100.0

Awareness Level about other schemes

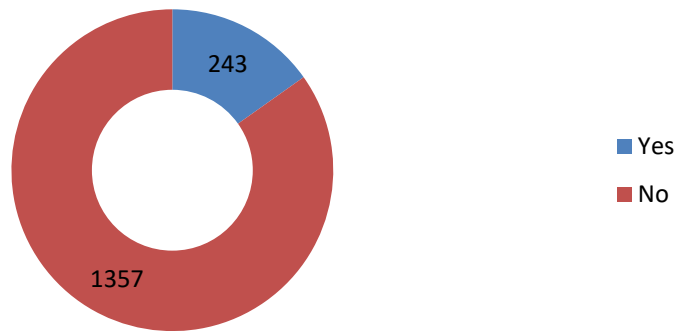


Sources of awareness about other NBCFDC schemes were asked among the respondents. From the results in the Table 3.22, it is observed that 38 % of respondents do not know about the other schemes of NBCFDC. 18 % of respondents doesn't know about other schemes and 43.9 % of respondents knows about other schemes of NBCFDC to some extent. Hence it is concluded that nearly three fourth % of respondents doesn't know fully about the other schemes of NBCFDC.

Table 3.23 Awareness about Unit cost and Pattern of Assistance

Awareness about Unit cost and Pattern of Assistance	Number of Beneficiaries	Percentage
Yes	243	15.2
No	1357	84.8
Total	1600	100.0

Awareness about Unit cost and Pattern of Assistance

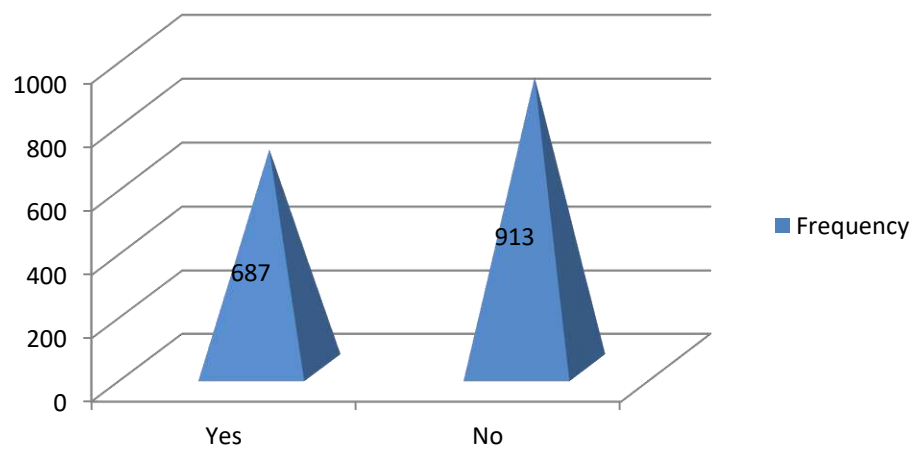


Sources of Awareness about Unit cost and Pattern of Assistance of NBCFDC schemes were asked among the respondents. From the results in the Table 3.23, it is observed that, majority of respondents (84.8%) doesn't know about Unit cost and Pattern of Assistance of NBCFDC schemes.

Table 3.24 Difficulties faced in getting Loan

Difficulties faced in getting Loan	Number of Beneficiaries	Percentage
Yes	687	42.9
No	913	57.1
Total	1600	100.0

Difficulties faced in getting Loan

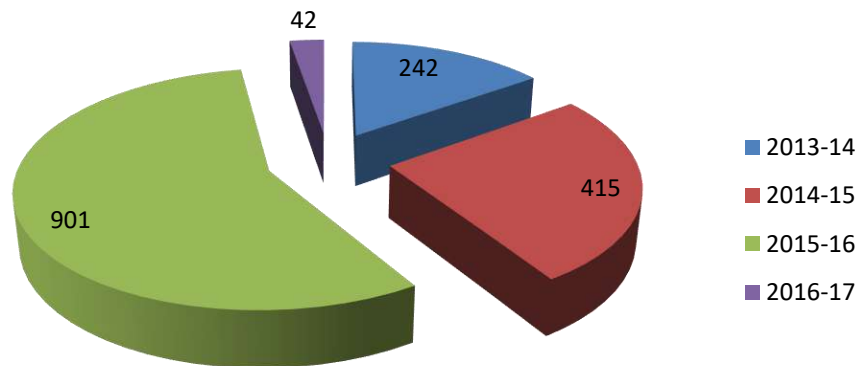


Difficulties faced in getting loan were also checked among respondents. From the results in the Table 4.24, it is observed that 57.1 % of respondents expressed that they did not face any problem in getting loan. 42.9 % of beneficiaries expressed that they faced some problems while availing loan. In general, delay in processing and sanctioning of loan amount is the major difficulty faced by the beneficiaries across Tamil Nadu.

Table 3.25 Year wise loan obtained

Loan obtained year	Number of Beneficiaries	Percentage
2013-14	242	15.2
2014-15	415	25.9
2015-16	901	56.3
2016-17	42	2.6
Total	1600	100.0

Year wise loan obtained

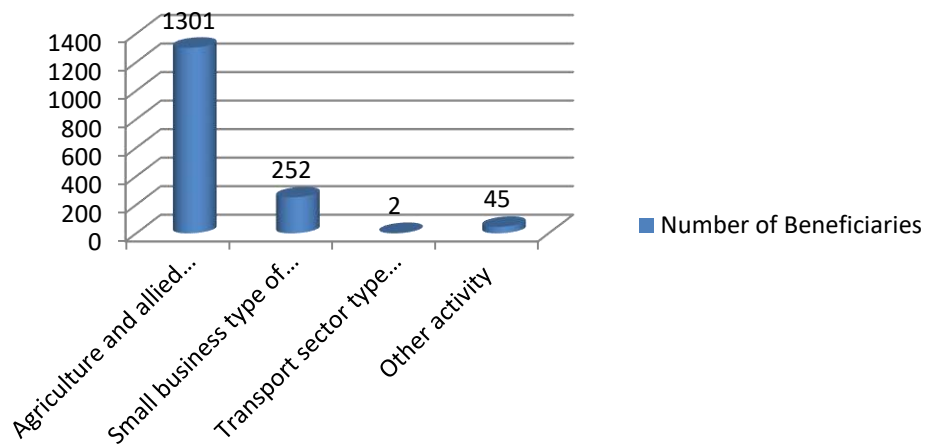


The period in which the respondents obtained loan was presented in the Table 3.25. Among 1600 respondents, 901 obtained in the year 2015-16, 415 obtained in the year 2014-15, 242 obtained in the year 2013-14 and 42 obtained in the year 2016-17.

Table 3.26 Purpose of loan utilized

Purpose of loan utilized	Number of Beneficiaries	Percent
Agriculture and allied type of activities	1301	81.3125
Small business type of activities	252	15.75
Transport sector type of activities	2	0.125
Other activity	45	2.8125
Total	1600	100.0

Purpose of loan utilised

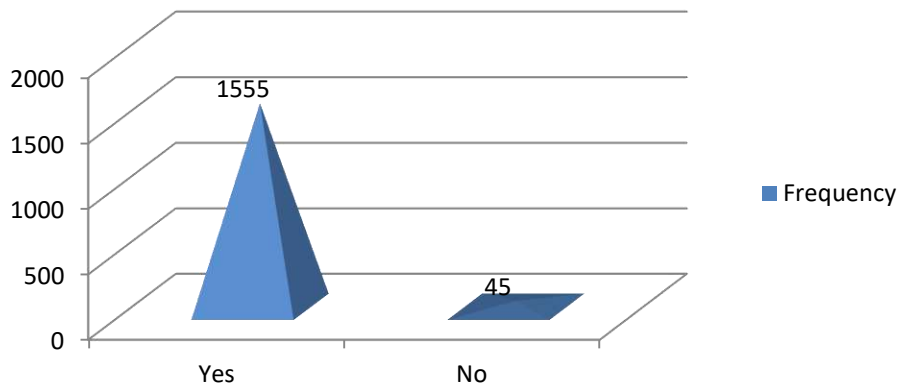


The purpose of loan utilized by the beneficiaries is presented above table 3.26. From the results it is observed that majority of respondents (1301) are utilized loan for agriculture related activities, 252 beneficiaries utilized the loan for Small business type of activities, 2 beneficiaries utilized for Transport sector type of activities and 45 beneficiaries utilized the loan for other type of activities. Hence it is concluded that majority of respondents (97.2 %) are utilized the loan for the intended purpose.

Table 3.27 Utilized the Loan for the Intended Purpose

Have you Utilized the loan for the intended purpose?	Number of Beneficiaries	Percentage
Yes	1555	97.2
No	45	2.8
Total	1600	100.0

Utilized the loan for the intended purpose

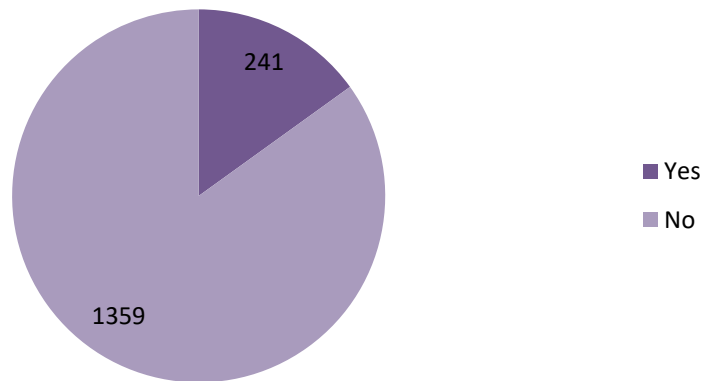


From the Table 3.27, it is observed that 97.2 % of respondents obtained the loan and it is utilized for the intended purpose.

Table 3.28 Sufficiency of Loan amount

Is the loan amount is sufficient according to you needs/ capacity?	Number of Beneficiaries	Percentage
Yes	241	15.1
No	1359	84.9
Total	1600	100.0

Sufficiency of Loan amount

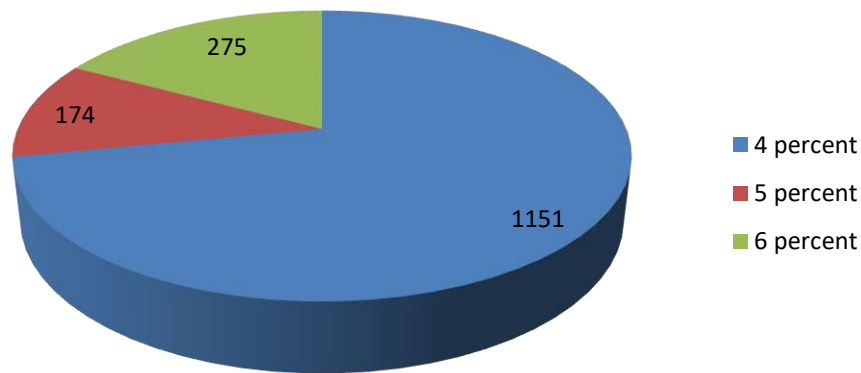


Sufficiency of loan amount is presented in the above Table 3.28. From the results, it is observed that about 84.9 % were expressed that the loan amount not sufficient according to the need and capacity. About 15.1 % of respondents expressed that the loan amount is sufficient.

Table 3.29 Rate of interest for your Loan amount

What is the rate of interest for your loan amount?	Number of Beneficiaries	Percentage
4.00	1151	71.9
5.00	174	10.9
6.00	275	17.2
Total	1600	100.0

Rate of interest for your Loan amount

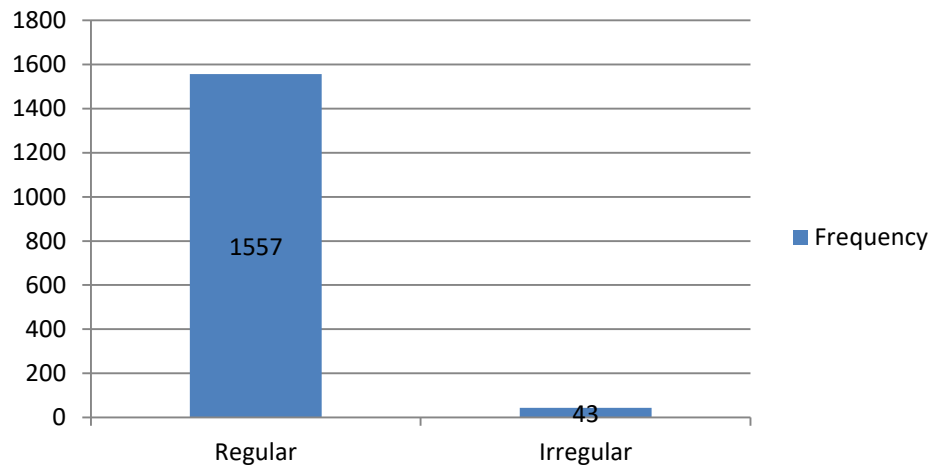


The rate of interest charged by the SCAs to the beneficiaries was presented in the above Table 3.29. From the results it is found that 71.9 % of respondents got the loan at 4% interest. 10.9 % of respondents got the loan at 5% interest. 17.2 % of respondents got the loan at 6% interest. During the data collection stage it is found that some of the beneficiaries are not having awareness about the interest rate. So PACCS may charge higher interest rate, which needs to be monitored.

Table 3.30 Status of Loan repayment

Status of loan repayment	Number of Beneficiaries	Percentage
Regular	1557	97.3
Irregular	43	2.7
Total	1600	100.0

Status of loan repayment

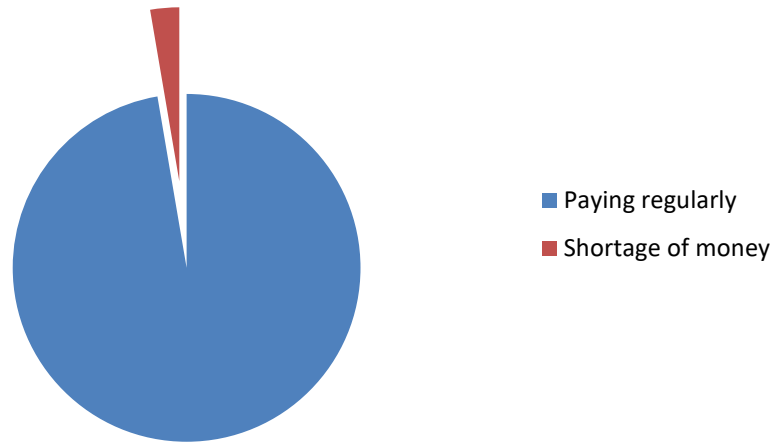


The status of loan repayment is presented in the Table 3.30. Out of 1600 Beneficiaries surveyed 97.3 % of respondents are repaying the installments regularly to the SCAs. Balance 2.7 % of respondents are missing some installments due to some financial constrains.

Table 3.31 Reasons for Delay in payment

Reasons	Number of Beneficiaries	Percentage
Paying regularly	1557	97.3
Shortage of money	43	2.7
Total	1600	100.0

Reasons for Delay in payment



Reasons for irregular repayments of installments were presented in the Table 3.31. It is found that 2.7 % of respondents are missing some installments due to some financial constrains, because of seasonal business.

Table 3.32 Surety given for getting loan

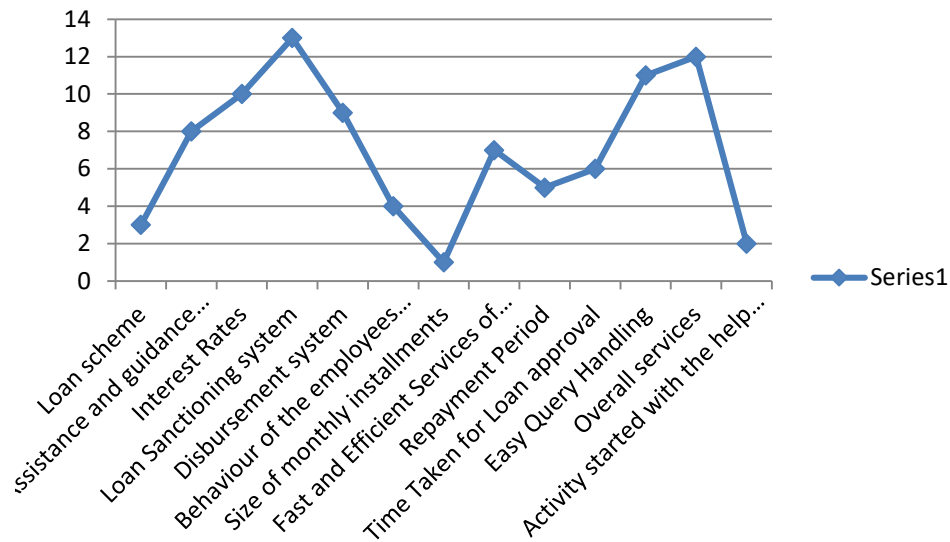
Type of loan		Surety given for getting loan	Number of Beneficiaries	Percentage
	GTL	Bond	77	4.8
	Microfinance	Agreement resolution and group surety	1523	95.2
Total		1600	100.0	

Surety or documents given for loan is presented in the Table 3.32, It is found that 4.8 % of respondents are given bonds and property documents of his assets or family property because they obtained GTL loan. 95.2 % of respondents given agreement resolution and Group surety for availing loan from TABCDEDCO because they obtained from Micro finance category.

Table 3.33 Satisfaction level of beneficiaries about loan schemes and services of PACCS

Satisfaction level of Primary agriculture cooperative credit society (PACCS)	Average Score out of 5	Rank
Size of monthly installments	4.4025	1
Activity started with the help of loan assistance	4.4019	2
Loan scheme	4.3975	3
Behaviour of the employees during the lending process	4.3919	4
Repayment Period	4.3594	5
Time Taken for Loan approval	4.3325	6
Fast and Efficient Services of the Bank	4.3056	7
Assistance and guidance provided by SCA	4.2944	8
Disbursement system	4.2844	9

Interest Rates	4.1919	10
Easy Query Handling	4.1756	11
Overall services	4.1525	12
Loan Sanctioning system	4.1056	13

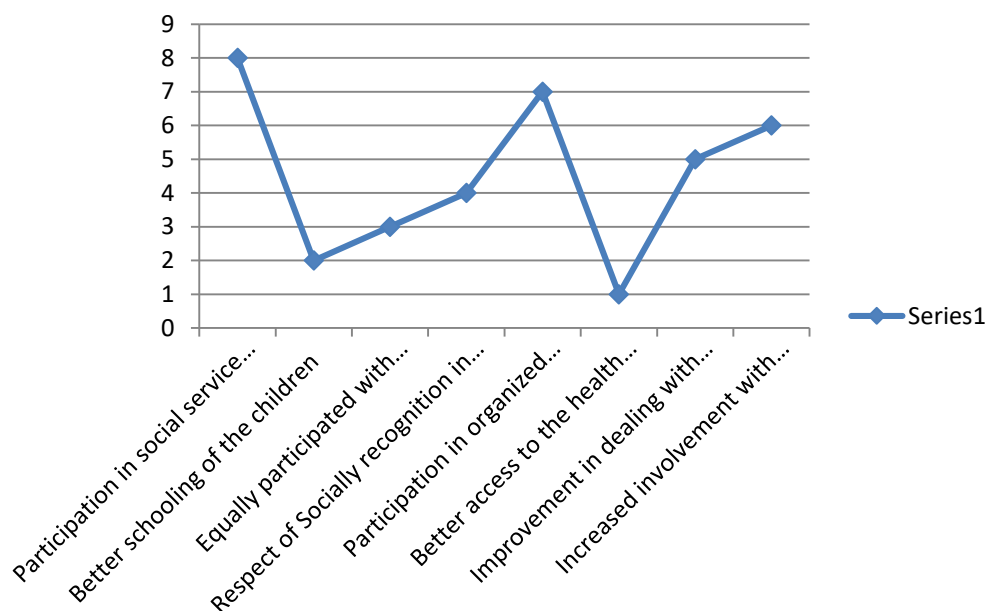


Satisfaction level of beneficiaries about loan schemes and services of PACCS was presented in the above Table 3.33. It is determined by the total set of duties and task performed by the PACCS. For measuring the satisfaction, thirteen items were taken up for the study. These items are asked to beneficiaries to give score on a five point rating scale with 1= Highly dissatisfied, 2 = Dissatisfied 3 = Neither satisfied nor dissatisfied, 4 = Satisfied and 5 = Highly satisfied. The rank 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 is found that, the beneficiaries are satisfied firstly towards Size of monthly installments, secondly satisfied towards Activity started with the help of loan assistance, thirdly satisfied towards Loan scheme, satisfied fourthly towards behavior of the employees during the lending process, satisfied fifthly towards Repayment Period, satisfied sixthly towards time taken for loan approval, satisfied seventhly towards Fast and Efficient Services of the Bank, satisfied eighthly towards Assistance and guidance provided by SCA, satisfied ninthly towards Disbursement system, satisfied tenthly towards Interest Rates, satisfied eleventh towards easy query

handling , satisfied twelfth towards overall services and lastly satisfied towards loan sanctioning system. Hence it is concluded that beneficiaries are highly satisfied towards size of the monthly installments and satisfied lastly for loan sanctioning system of PACCS.

Table 3.34 Social Impact of loan

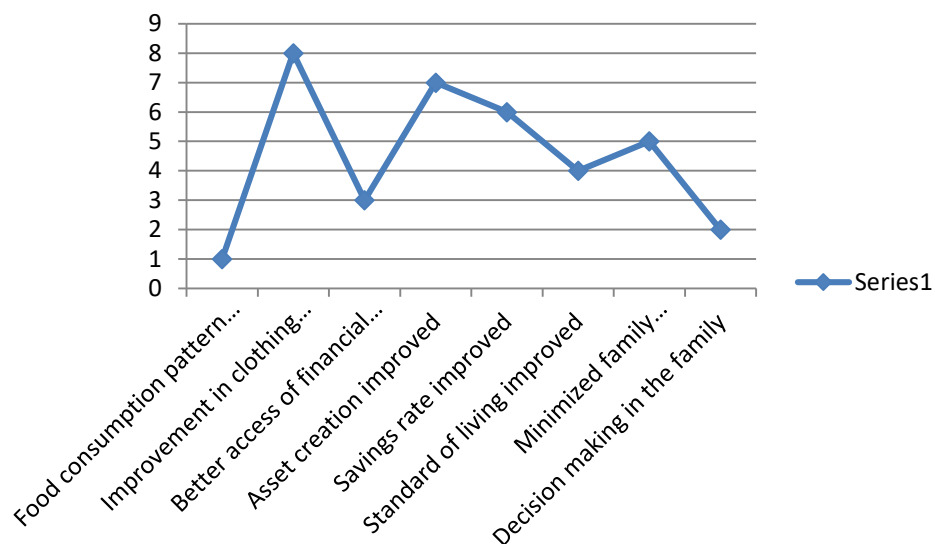
Social Impact of Loan	Average Score out of 5	Rank
Better access to the health faculties	4.1702	1
Better schooling of the children	4.1464	2
Equally participated with husband in family decisions in the society	4.1358	3
Respect of Socially recognition in the Society	4.0250	4
Improvement in dealing with outsiders	4.0175	5
Increased involvement with social events	3.9781	6
Participation in organized Activities	3.9543	7
Participation in social service activities	3.9043	8



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. These items are asked to beneficiaries to give score on a five point rating scale with 1= Notable decrease, 2 = Moderate decrease 3 = Unchanged, 4 = Moderate increase and 5 = Notable increase. The rank was calculated on the beneficiaries score given out of five points. From the average score and rank of the social impact after NBCFDC loan, it is found that, are better access to the health faculties is increased firstly for beneficiaries, better schooling of the children is increased secondly for beneficiaries, equally participated with husband in family decisions in the society is increased thirdly for beneficiaries, respect of socially recognition in the society is increased fourthly for beneficiaries, improvement in dealing with outsiders is increased fifthly for beneficiaries, increased involvement with social events is increased sixthly for beneficiaries, participation in organized activities is increased seventhly for beneficiaries and participation in social service activities is increased lastly for beneficiaries. Hence it is concluded that after NBCFDC loan there is a notable increase in access to better health for family members and better schooling for beneficiary's children.

Table 3.35 Economic Impact of loan

Economic Impact	Average score out of 5	Rank
Food consumption pattern improved	4.1156	1
Decision making in the family	4.0106	2
Better access of financial resources	3.9100	3
Minimized family indebtedness	3.8644	4
Standard of living improved	3.8519	5
Savings rate improved	3.8150	6
Asset creation improved	3.8069	7
Improvement in clothing status	2.5019	8



The economic effect is changes in financial conditions of beneficiary's after NBCFDC loan. For measuring the economic impact, eight items were taken up for the study. These items are asked to beneficiaries to give score on a five point rating scale with 1= Notable decrease, 2 = Moderate decrease 3 = Unchanged, 4 = Moderate increase and 5 = Notable increase. 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 is found that, Food consumption pattern is improved firstly for beneficiaries, Decision making in the family related to monetary aspects is increased secondly for beneficiaries, , Better access of financial resources is increased thirdly for beneficiaries, Minimized family indebtedness is increased fourthly for beneficiaries, Standard of living iss improved fifthly for beneficiaries, Savings rate is improved sixthly for beneficiaries, Asset creation is improved seventhly for beneficiaries and Improvement in clothing status is increased lastly for beneficiaries.

CHAPTER – IV

FINDINGS

4.1 List of Findings

1. 19 Male beneficiaries and 58 Female beneficiaries got loan from general term loan scheme. 157 Male beneficiaries and 1336 Female beneficiaries got loan from general micro finance.
2. From the economic impact of loan it is found that a notable increase in access of financial resources. **It is observed that, around 80% of beneficiaries assets were found to be in possession of assets financed under the loan from the NBCFDC channelizing agencies.** In our findings, it shows that increase in the asset creation was also coming under seventh rank under the Economic impact of Loan.
3. While comparing the number of beneficiaries available in BPL during before and after loan period it is found that, 70 percent of beneficiaries are crossed from the below poverty line.
4. Further, while comparing the no. of beneficiaries available in DPL during before and after loan period, it is found that 28% of beneficiaries are crossed from the DPL.
5. It is found that, better access to the health facilities is increased and in the first priority for beneficiaries, better schooling of the children is in the second priority, equally participated with husband in family decisions in the society is comes under third priority, socially recognition in the society comes under fourth priority, improvement in dealing with outsiders is in fifth priority, increased involvement with social events is in sixth priority, organizing activities is in seventh priority and participation in social service activities is increased and comes under last priority for the beneficiaries. Hence it is concluded that after receiving NBCFDC loan, there

is a notable increase in access to better health for family members and better schooling for beneficiary's children.

6. From the results it is observed that 57.1 of respondents expressed that they did not face any problem in getting loans. 42.9 % of beneficiaries expressed that they faced some problem during loan. Processing time is the major problem faced by the beneficiaries to avail loans. In some districts, the beneficiaries are facing problems for producing documents to avail loans. (e.g. PAN card). In Some cases, it was found that beneficiaries could avail loan after a delay of about six months.
7. All the beneficiaries are getting the loan amount through their PACCS SB Account (ie., DBT – Direct Bank Transfer).
8. During the data collection period the research team verified the KYC documents enclosed with the loan application. It is found that the SCA given loans to eligible backward classes and the beneficiaries are genuine.
9. Majority of the groups are getting Minimum of Rs.4,00,000/- and Maximum of Rs.6,00,000/- as loan amount. So, the average loan per SHG is Rs.5,00,000/-.
10. Majority of Groups are having minimum of 12 members and maximum of 20 members. In an average there are 16 members in a group. Average loan per beneficiary is Rs. Rs.31,000/-
11. It is found that 11 % of respondents are Male and 89 % of respondents are Female. So, the Female respondents dominate the study. **The NBCFDC sponsored TABCEDCO microcredit schemes reached grass root level in the villages of Tamil Nadu, paves a way for Women Empowerment.**

12. From the age classification of beneficiaries it is found that the majority of respondents i.e. 39.6 % falls under category of 30 – 40 years, 30.9 % of respondents falls under the category of 41-50 years, 18.2 % of respondents falls under >50 years and only 11.3 % of respondents falls under < 30 years' category. So, it is concluded that the majority of respondents are in 30 – 40 years category.
13. From the Table related to educational qualifications, it is observed that 7.2 % of respondents falls under Illiterate, 25.8 % of respondents falls under Ability to sign category, 24.4 % of respondents falls under Primary category, 25.9 % of respondents falls under Secondary category, 12.8 % of respondents falls under Higher Secondary category, 1.3 % of respondents falls under Diploma category, 0.8 % of respondents falls under ITI category and 1.8 % of respondents falls under Graduate category. From the above Table it is concluded that 96.1 % of beneficiaries completed maximum of school level education only. Hence they are the needy peoples for loan amount.
14. 94 % of respondents are living in Rural area and 6 % of respondents are living in Urban area. One of the greatest strength of the research is that the study is focused more on rural area. **The SHGs are more in rural area than in urban area. TABCEDCO is channelizing the Microcredit through PACCS which is situated in rural area. Hence the study is focused in rural areas.**
15. It is identified that 94.7 % of respondents are living in own house and 5.3 % of respondents are living in rented house. **Tamil Nadu Government is providing subsidized Housing loans to construct concrete houses, hence majority of the respondents are living in their own houses.**
16. It is observed that 50.7 % of respondents falls under married category, 13.3 % of respondents falls under unmarried category, 9.0 % of respondents falls under widow category, 14.9 % of respondents falls under divorced category and 12.1 % of respondents falls under separated category. The interesting conclusion of marital

status of respondents is 36 % of beneficiaries are living alone without any support from their husband. **Further it is concluded that married respondents availed more MFS offered by NBCFDC through PACCS because they are having more responsibility to uplift the economic and social growth of the family.**

17. Occupation of beneficiaries is one of the dominating factors in all the research area in social sciences. Based on the various categories of occupation, the behavior may vary. The occupation classification of beneficiaries after getting loan is presented in the table 3.8. From the table, it is found that the 1301 beneficiaries are doing agriculture and allied type of activities, 252 beneficiaries are doing small business type of activities, 2 beneficiaries are doing transport sector type of activities and 45 beneficiaries are doing other activities. It is concluded that majority of beneficiaries are doing agriculture and allied types of and meager beneficiaries are doing transport sector activities.
18. The result indicates that 97 % of respondents are from Nuclear family category and 3 % of respondents are from Joint family category.
19. 87.6 % of the respondent's families are having 4 - 5 members. 10.9 % of the respondents families are having 3 members and 1.4 % of the respondents families are having 5-6 and above 6 members. So it is concluded that majority of the beneficiaries are living with 4 to 5 members in the family.
20. The family annual income of respondents Before loan is Rs.1,00,116/- and family annual income of respondents After loan is Rs.1,56,888/-. It is concluded from the results that, there is an increase of Rs.56,722/- annually (56.71 %) in the family average income of respondents after they availed the NBCFDC loan. It is further concluded that the vision of NBCFDC (To play a leading role in upliftment of economic status of the target group of the Backward Classes) is achieving at faster rate.

21. From the nature of house occupied it is noted that 52 % of respondents are living in sheet roof, 42.52 % of respondents are living in concrete roof and 5.5 % of respondents are living in huts.
22. 98.3 % of respondents are having Aadhar card and 1.8 % of respondents are not having Aadhar card.
23. The study results explains that 77.1 % of respondents are not having any debt before TABCEDCO loan and 22.9 % of respondents are having some debt before TABCEDCO loan.
24. The result of study gives the following observation, 89.3 % of respondents are not having any debt after TABCEDCO loan and 10.7 % of respondents are having debt after TABCEDCO loan. While comparing the beneficiaries status of household debt before and after the loan, it is concluded that there are about 195 beneficiaries free from debt of Private Finance.
25. Type of bank account holding also checked during the study. It is observed that 94.4 % of respondents having normal savings bank account and 5.6 % of respondents are having Jan Dhan Yojana account.
26. The positive impact of linking Aadhar number with bank account initiative by the central government is observed from the study because 62.1 % of respondents linked their Aadhar with bank account and remaining 37.9 % of respondents did not linked their Aadhar with their bank account.
27. The results explain that, there are about 95.2 % of respondents availed loan under MFS, 4.8 % of responds availed loan under GTL scheme. Since the demand is more for MFS, the TABCEDCO and NBCFDC offers more funding for MFS and hence the research also focused on more beneficiaries from Micro Finance Scheme.

28. 65.6 % of respondents availed the loan for doing Agriculture and Allied activities. 34.3 % of respondents received the loan for doing small business and 0.1 % of respondents availed the loan for doing business in transport sector. Hence it is concluded that the majority of beneficiaries availed loan for Agriculture and Allied Activities.
29. From the results it is observed that majority of respondents (1301) are utilized loan for agriculture related activities, 252 beneficiaries utilized the loan for Small business type of activities, 2 beneficiaries utilized for Transport sector type of activities and 45 beneficiaries utilized the loan for other type of activities. Hence it is concluded that majority of respondents (97.2 %) are utilized the loan for the intended purpose.
30. From the results it is observed that about 52.6 % of respondents are availed loan from TABCEDCO previously and 47.4 % of respondents are applied and got the loan in first time.
31. The study results explain that that secretary of PACCS and DCCB officials (62.4%) plays an important role for creating awareness about NBCFDC schemes. 20.9 % of respondents came to know about NBCFDC schemes through public, 12 % of respondents by Advertisements, 4.6 % of respondents got awareness from his family /friends/ relatives and only 0.1 % of respondents came to know about the NBCFDC schemes from websites.
32. It is observed that 38 % of respondents do not know about the other schemes of NBCFDC. 18.1 % of respondents are know about other schemes and 43.9 % of respondents know other schemes of NBCFDC to some extent. Hence it is concluded that nearly three fourth % of respondents are not knowing fully about the other schemes of NBCFDC.

33. Majority of the respondents (84.8%) not having awareness about the Unit cost and Pattern of Assistance of NBCFDC schemes.
34. Among 1600 respondents 901 obtained loan in the year 2015-2016. 415 obtained loan in the year 2014-2015. 242 obtained loan in the year 2013-2014. 42 obtained loan in the year 2016-2017.
35. About 97.2 % of respondents obtained the loan and it is utilized for the intended purpose.
36. 84.9 % of beneficiaries expressed that the loan amount is not sufficient for their need and capacity. About 15.1 % of respondents expressed that the loan amount is sufficient.
37. It is found that 71.9 % of respondents got the loan at 4% interest. 10.9 % of respondents received the loan at 5% interest. 17.2 % of respondents received the loan at 6% interest. During the data collection stage it is found that some of the beneficiaries are not having awareness about the interest rate. So PACCS may charge higher interest rate, which needs to be monitored.
38. Out of 1600 Beneficiaries surveyed 97.3 % of respondents are repaying the installments regularly to the SCAs. Balance 2.7 % of respondents are missing some installments due to some financial constraints.
39. There are about 2.7 % of respondents are missing some installments due to some financial constraints, because of seasonal business.
40. For obtaining GTL loan, 4.8 % of respondents given bonds and property documents of their assets or family property. For availing Micro Finance Loan, 95.2 % of respondents given agreement resolution and Group surety.

41. It is found that, the beneficiaries are satisfied firstly towards Size of monthly installments, secondly satisfied towards Activity started with the help of loan assistance, thirdly satisfied towards Loan scheme, satisfied fourthly towards behavior of the employees during the lending process, satisfied fifthly towards Repayment Period, satisfied sixthly towards time taken for loan approval, satisfied seventhly towards Fast and Efficient Services of the Bank, satisfied eighthly towards Assistance and guidance provided by SCA, satisfied ninthly towards Disbursement system, satisfied tenthly towards Interest Rates, satisfied eleventh towards easy query handling, satisfied twelfth towards overall services and lastly satisfied towards loan sanctioning system. Hence it is concluded that beneficiaries are highly satisfied highly towards size of the monthly installments and satisfied lastly towards loan sanctioning system of PACCS.

4.2 Recommendations:

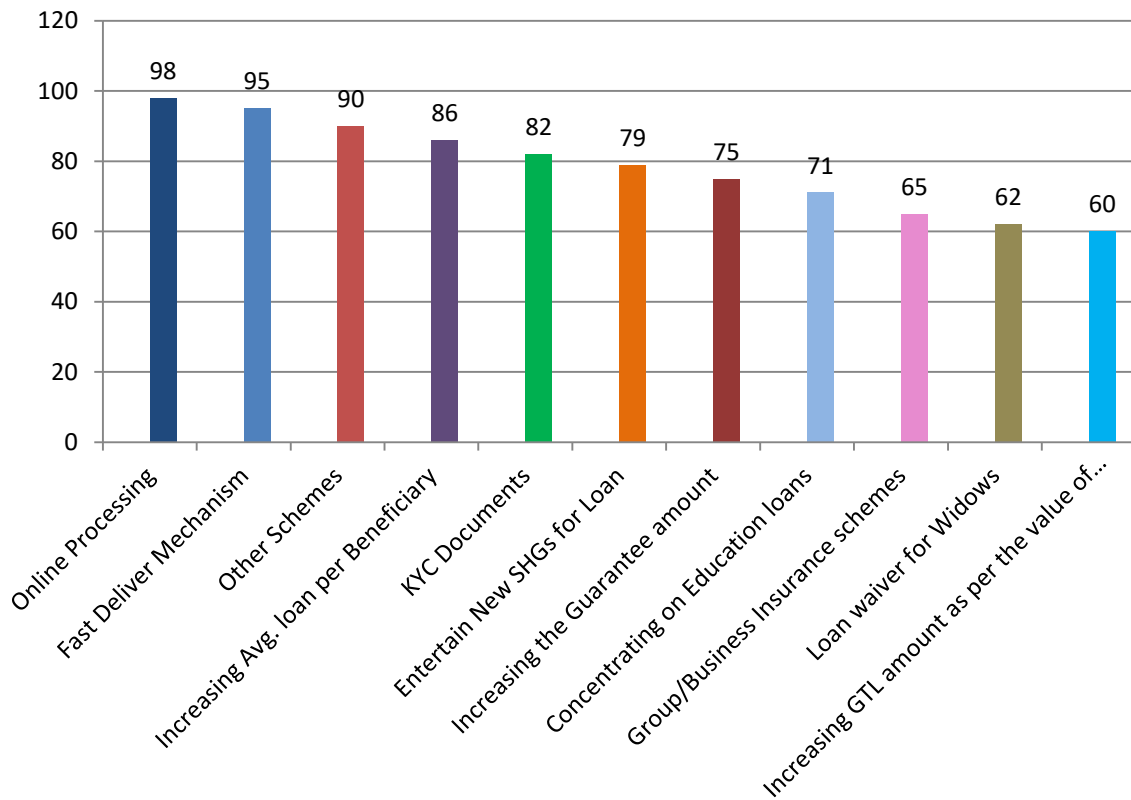
1. The Micro finance loan limit amount should be increased from 50,000 to 1,00,000 per beneficiary.
2. Skill Development training is required for the SHG members; women members are more interested to do skill related business activities.
3. As there is no awareness about the NBCFDC and TABCEDCO which is the funding agency to provide loans to the beneficiaries, the advertisements and publicity of NBCFDC is required to create awareness among the people.
4. Hoardings of NBCFDC and TABCEDCO can be displayed in the premises of loan holder's shops, houses and PACCS office premises.
5. The application and its enclosures should be in a uniform and simplified manner which will ease the loan process.
6. TABCEDCO is expecting 50 % of their annual requirements (loan amount) before the month of August/ September of every financial year and the remaining amount can be disbursed in next installment (i.e. Two installments), which reduces the time delay of disbursement of loans to the beneficiaries.
7. Only the Microcredit loan is entertained in all the districts. Apart from Micro Credit loan, other NBCFDC schemes should be entertained in all the districts of Tamil Nadu.
8. From the results it is found that only 12 percent of beneficiaries were got awareness by the way of advertisements. Hence state channelizing agencies should give wide publicity by way of advertisement about the schemes of NBCFDC.

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 DCCB and TABCEDCO.
2.	A detail mechanism should be devised by the PAACs, DCCBs and TABCEDCO to speed up the processing and disbursement of the loan by specific time-line i.e., a period of maximum three months.
3.	Micro credit loan is successfully going on in all the districts. Likewise, Other NBCFDC schemes like Term loan, Education Loan, Skill Development, etc. should be entertained in all the districts.
4.	From the feedback from the beneficiaries it is noted that the loan amount sanctioned by TABCEDCO is not sufficient for the beneficiaries, Hence the SCA should take steps for increasing the average loan per beneficiary. It should be increased from existing Rs.31,000/- to Rs 50,000/- per beneficiary.
5.	A standardized checklist should be followed in all PACCs for collecting KYC documents from the beneficiaries.
6.	State channelizing agencies should entertain more New Self-Help Groups for availing loan because from the study it is found that majority of loan amount given to the Existing self-help group members.
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 can be totally waived.
11.	Based on the budget of the project proposal, or business plan, the General Term Loan (GTL) amount can be increased depending upon the market value of the document of immovable property submitted by the beneficiary.

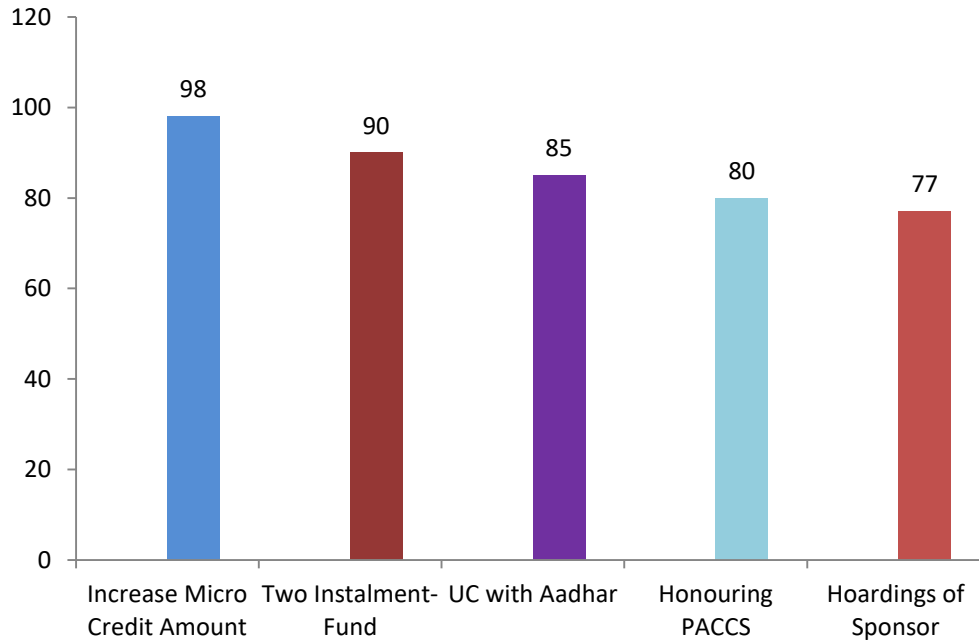
Actionable points at SCA level



4.4 List of Actionable points at NBCFDC level

Sl. No.	Actionable Points
1.	NBCFDC can encourage the PACCs and District Central Cooperative banks by honoring them with financial and non-financial rewards based on their outstanding performance.
2.	The NBCFDC should collect the Utilization certificate along with the list of beneficiaries with their respective Aadhar numbers through online from TABCEDCO.
3.	Special camps can be organized in PACCs level to educate the beneficiaries about the sponsoring agency (TABCEDCO & NBCFDC), the Hoardings of the sponsoring agency should be displayed in PACCs and the name of the sponsoring agency should be imprinted in Loan application and at project site of beneficiary.
4.	The fund may be released in two installments in a Financial year based on the demand requested from TABCEDCO, so that waiting time of beneficiaries is reduced.
5.	As Microcredit is in good success rate in Tamil Nadu, NBCFDC can allocate more loans to TABCEDCO, hence more untapped beneficiaries can be utilized through the scheme.

Actionable points at NBCFDC level



CHAPTER – V

SUGGESTIONS

5.1 FEEDBACK FROM THE BENEFICIARIES

1. The time taken for processing the loan is more than six months. So the time should be minimized as two months. So that the beneficiaries can able to start their activities according to their time schedule.
2. The loan amount sanctioned by TABCEDCO is not sufficient for the beneficiaries to do a small scale business. Hence the loan amount can be increased from Rs. 50,000 to Rs. 1,00,000/-.
3. According to beneficiaries opinion the interest of the loan amount can be reduced.
4. Apart from Microcredit loan, the beneficiaries are expecting Education loan for their children with minimum interest.
5. Individual loan can be entertained to the beneficiaries.
6. Like THADCO and TAMCO the beneficiaries are expecting subsidy for TABCEDCO loan also.
7. The beneficiaries are looking forward **Insurance** for their group members and their business (Animals).
8. At present the age limit for the SHG member is 60 years which may be extended.
9. The widows and physically challenged members are expecting special privileges like. Low interest, subsidy for the loan amount.
10. In case of widows, if they became widow during the tenure of the loan, the balance loan amount can be totally waived.
11. The documents for getting loan should be simplified and it should be in uniform manner for the entire state.
12. SHG members of all the villages having variety of skills which are untapped. Their skills have to be utilized in a proper way for their economic development. Hence the skill development training can be entertained in all the villages of Tamil Nadu.
13. The financial assistance can be given more because of the more population of the backward classes in all the districts.

5.2 BEST PRACTICES OF STATE CHANNELIZING AGENCIES

To the upliftment of economic status of the Backward Classes, the NBCFDC scheme amount passes through the following channel, NBCFDC => TABCEDCO=> State Cooperative Bank => DCCB =>PACCS => Beneficiary. The secretary of the PACCS is playing the vital role in the loan sanctioning system because they know about the family history of the beneficiary and also knows about the repaying capacity of the beneficiary. Through these two variables they are identifying the beneficiary and this is the success of NBCFDC in Tamil Nadu.

5.3 WEAKNESS OF THE STATE CHANNELIZING AGENCIES

Even though the success rate is high, the beneficiaries are not satisfied with the loan amount and time taken for processing, because the loan amount is not sufficient to meet out the needs and also there is delay in loan sanctioning time.

5.4 POLICY SUGGESTED FOR DELIVERY MECHANISM

- The best practices here suggested for delivery mechanism of SCAs is, the Micro finance loan amount should be increased from 50,000 to 1, 00,000 per beneficiary and online process should be introduced by SCAs for sanctioning the loan amount.
- The applications and related documents collected from the beneficiaries may be uploaded in the TABCDCO website.
- According to **First Come and First Serve (FCFS)** basis the loan can be sanctioned to beneficiaries.
- The online processing will definitely reduce the processing time.
- For documentation purpose the hard copy of documents needed for getting loan should be kept in PAACS office.

5.5 CONCLUSION

The main objective of this study is inspection of beneficiaries and evaluation of NBCFDC schemes. In order to attain the objectives, 1600 beneficiaries were selected from 23 districts in the state of Tamil Nadu. The data was collected by Multistage Random Sampling Method. The collected data was analyzed with Simple Statistical Analysis. From the results, it is found that notable percentage of beneficiaries have crossed the poverty line and double poverty line with the financial assistance from NBCFDC. Through the loan schemes the economic and social status of the beneficiaries were notably increased.

The study has confirmed that NBCFDC plays a vital role in the socio-economic development of backward community. The above analysis of conclusions confirms 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 schemes in Tamil Nadu.

5.6 SUCCESS STORIES

1. Education: The graduate teachers providing free education and training for the school going children. This paves a way for getting higher education for the students.
2. Knowledge Enhancement: SHG members enhanced their knowledge in bank related activities like ATM Transactions, Handling of ATM cards and Bank Transactions etc.,
3. Recognition in the Society: After getting loan the SHG members can involve themselves in all the Social activities like Awareness programmes, Special Medical camps, School programmes and other social activities.
4. Swatchh Bharath: They have implemented Swatchh Bharath (Sanitation Facilities in all the houses) in Acchampatti village of Madurai District. The SHG members strictly restricted the village people to avoid using public places as toilets. Also the village has received many awards from the Central Government and other foreign organizations for the above activity.
5. SHG members in Pudukottai District abolished the TASMAL.
6. In Trichy, a lady entrepreneur is doing Nighty Business (stitching and sales) in a successful manner in her place. She is planning to do the business in State Level.



MEETING WITH MALE SHG IN SALEM DISTRICT

In Tamil Nadu very few Male SHGs are there. In Salem Dist., Kadayampatti Village there are several Male SHGs doing job work for Successful branded Dothis and Shirt companies. These Group members availed the Micro credit loan and doing their business successfully.



In Salem, Male SHG groups doing Job work for leading branded Dhoti companies in South India.





A person from Thiruvarur developed his business by using Traditional Manner. After getting Term loan from TABCEDCO, he developed his business using advanced technology in Printing press.



Women Entrepreneur: After getting Term loan, a women in Thiruvarur district is planning to do saree business in Gulf Countries. She is economically developed more because of the Term loan received from TABCEDCO.