



A Study

on

**Evaluation of Schemes of National Backward Classes
Finance & Development Corporation (NBCFDC)
Implemented in the State of Punjab**

**With Reference to
Punjab Backward Classes Land Development and Finance
Corporation (PBCLDFC)**



Conducted by

**Dr. Ambedkar Chair in Social Justice
Indian Institute of Public Administration (IIPA)
I. P. Estate, Ring Road
New Delhi-110002**

Sponsored by



**National Backward Classes Finance and Development Corporation
Ministry of Social Justice & Empowerment
Government of India**



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EVALUATION OF SCHEMES OF NBCFDC IMPLEMENTED IN THE STATE OF PUNJAB



FOREWORD

Social inclusion is a process by which efforts are made to ensure equal opportunities for all, regardless of their background, so that they can achieve their full potential in life. It aims to achieve an inclusive society and upholds the principles of equality and equity. It is in this context the vision, mission and activities of National Backward Classes Finance & Development Corporation (NBCFDC) assume importance.

The NBCFDC has been established with a vision to play a leading role in the upliftment of the economic status of the target group of Backward Classes. The mission is to provide concessional financial assistance to the eligible members of the Backward Classes for self-employment ventures and skill development training. NBCFDC by extending loans through the State Channelizing Agencies (SCAs) and Self-Help Groups assists in a wide range of income-generating activities for Backward Classes.

The present study -'Evaluation of Schemes of NBCFDC Implemented in the State of Punjab' with reference to SCA viz Punjab Backward Classes Land Development and Finance Corporation (PBCLDFC). The study shows that NBCFDC schemes had a positive socio-economic impact on the lives of the respondents. The beneficiaries after availing of the loans are meaningfully employed and their involvement in social activities got enhanced. As the loans were not availed for all schemes of NBCFDC (except the General Term Loan), the potential benefits of the same could not be maximised. Hence, the study revisited the scope and reach of NBCFDC schemes w.r.t. PBCLDFC. The outcomes of the present study may help to fine-tune the NBCFDC schemes and strengthen the empowerment process of Backward Classes in the state of Punjab.

I compliment C.Sheela Reddy, Chair Professor, Dr.Ambedkar Chair in Social Justice for undertaking the study and documenting the report for wider circulation. I thank NBCFDC, Ministry of Social Justice & Empowerment, Government of India for entrusting the study to Indian Institute of Public Administration.



Surendra Nath Tripathi
Director
Indian Institute of Public Administration

ABBREVIATIONS

GIA	Grants-in-aid
GTL	General Term Loan
MFI	Micro Finance Institution
MFS	Micro Finance Scheme
MoU	Memorandum of Understanding
MSY	Mahila Samridhi Yojana
NBCFDC	National Backward Classes Finance and Development Corporation
NSS	New Swarnima Scheme
PBCLDFC	Punjab Backward Classes Land Development and Finance Corporation
PGB	Punjab Gramin Bank
PLGIAS	Performance Linked Grants-in-aAid Scheme
SCA	State Channelizing Agency
SHG	Self Help Groups
SC	Scheduled Caste
BC	Backward Classes

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We are grateful to Dr. Thaawar Chand Gehlot, Chairman, Dr. Ambedkar Foundation & Hon’ble Minister, Ministry of Social Justice & Empowerment for his encouragement in all the activities of the Chair.

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We express our deep gratitude and thanks to Prof. Raj Kumar, Vice-Chancellor, Panjab University Chandigarh and administrative authorities of Panjab University for their constant support.

We are highly indebted to Shri K. Narayan, Managing Director, National Backward Classes Finance Development Corporation (NBCFDC), New Delhi for reposing faith in Dr. Ambedkar Chair in Social Justice, IIPA by entrusting the responsibility of the study. His timely suggestions and interventions enriched the quality of the report.

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This study was made possible with the help of Punjab Backward Classes Land Development & Finance Corporation (BANKFINCO), Chandigarh. We sincerely thank the officers of this organization who facilitated fruitful interactions with District Field Officers (DFOs). The DFOs extended full support in furnishing the details of the beneficiaries which made the job of the research team easy.

C Sheela Reddy

Chair Professor
Dr. Ambedkar Chair in Social Justice

DECLARATION

It is declared that the Research Study Report entitled ‘Evaluation of Schemes of NBCFDC Implemented in the State of Punjab’ is based on the original research by the undersigned carried out under the aegis of Dr. Ambedkar Chair in Social Justice, Indian Institute of Public Administration (IIPA), New Delhi. The same is being exclusively submitted to the National Backward Classes Finance and Development Corporation (NBCFDC), New Delhi. The undersigned also declares that this Research Report has neither been presented before nor published earlier and is solely responsible for the facts presented and views expressed in the research report.

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Chair Professor

Dr. Ambedkar Chair in Social Justice
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&

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Chandigarh

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EXECUTIVE SUMMARY

National Backward Classes Finance & Development Corporation (NBCFDC) is a Government of India undertaking under the aegis of the Ministry of Social Justice and Empowerment. It was incorporated under Section 25 of the Companies Act 1956 on 13th January 1992 as a non-profit Company to promote economic and developmental activities of Backward Classes (BCs). Presently, it is a Section-8 Company (not for profit) registered under the Companies Act, 2013. The schemes are implemented through State Channelising Agencies (SCAs) nominated by respective State Government/UT. NBCFDC also provides Micro Financing through SCAs/ Self Help Groups (SHGs). The Corporation supports the poorer section of these classes in skill development and self-employment ventures by extending loans for a wide range of income-generating activities. In the state of Punjab, there are two prominent state channelizing agencies namely Punjab Backward Classes Land Development and Finance Corporation (PBCLDFC) and Punjab Gramin Bank (PGB). NBCFDC is spending a hefty amount for the socio-economic upliftment of the marginalised groups. Hence, it is imperative to evaluate whether the target group has attained the desired benefits or not. Further, it is also worthwhile to examine whether the schemes launched by NBCFDC are effective or require any modification. Therefore, the present study is required for evaluating different schemes of NBCFDC in the state of Punjab. The outcomes of the present study may help to fine-tune the NBCFDC schemes and strengthen the empowerment process of Backward Classes in the state of Punjab.

The study titled ‘Evaluation of Schemes of NBCFDC Implemented in the State of Punjab’ undertaken are presented in two reports: one for Punjab Backward Class Land Development and Finance Corporation and the other for Punjab Gramin Bank. The present report analyses the data of PBCLDFC. It comprises six chapters. Chapter I presents a brief about NBCFDC and its schemes. Chapter II gives an overview of the methodology adopted for the study. A detailed analysis of data is carried out in Chapter III. Chapter IV comprises the findings of the study based on the data analysis. Chapter V provides suggestions for NBCFDC and SCAs for the effective implementation of the schemes. The details of some ventures started by beneficiaries of the schemes of NBCFDC with some photographs are shared in Chapter VI.

CHAPTER I

INTRODUCTION

NATIONAL BACKWARD CLASSES FINANCE & DEVELOPMENT CORPORATION (NBCFDC) AND ITS SCHEMES

About NBCFDC

National Backward Classes Finance & Development Corporation (NBCFDC) is a Government of India undertaking under the aegis of the Ministry of Social Justice and Empowerment. It was incorporated under Section 25 of the Companies Act 1956 on 13th January 1992 as a Company not for profit to promote economic and developmental activities of Backward Classes (BCs). Presently, it is a Section-8 Company (not for profit) registered under the Companies Act, 2013. The schemes are implemented through State Channelising Agencies (SCAs) nominated by respective State Government/UT.

Vision

The NBCFDC has been established with a vision to play a leading role in the upliftment of the economic status of the target group of Backward Classes.

Mission

The mission is to provide concessional financial assistance to the eligible members of the Backward Classes for self-employment ventures and skill development training.

Objectives

The objectives of NBCFDC include:

- To promote economic and development activities for the benefit of Backward Classes
- To assist Backward Classes by way of loans and advances for economically and financially viable schemes and projects.
- To provide for gainful employment and skill development of the target group.
- To grant concessional finance in selected cases for poor persons belonging to Backward Classes as per an annual income criteria defined from time to time (presently Rs. 3.00 lakh).
- To extend loans to the Backward Classes for pursuing general/professional/vocational/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.

NBCFDC through the State Channelizing Agencies (SCAs) and Self-Help Groups endeavours to fulfill its objectives. It offers financial assistance through State Channelizing Agencies (SCAs) nominated by the State Governments/UTs. It also provides micro-financing through State Channelizing Agencies (SCAs)/ Self-Help Groups (SHGs).

Activities Financed

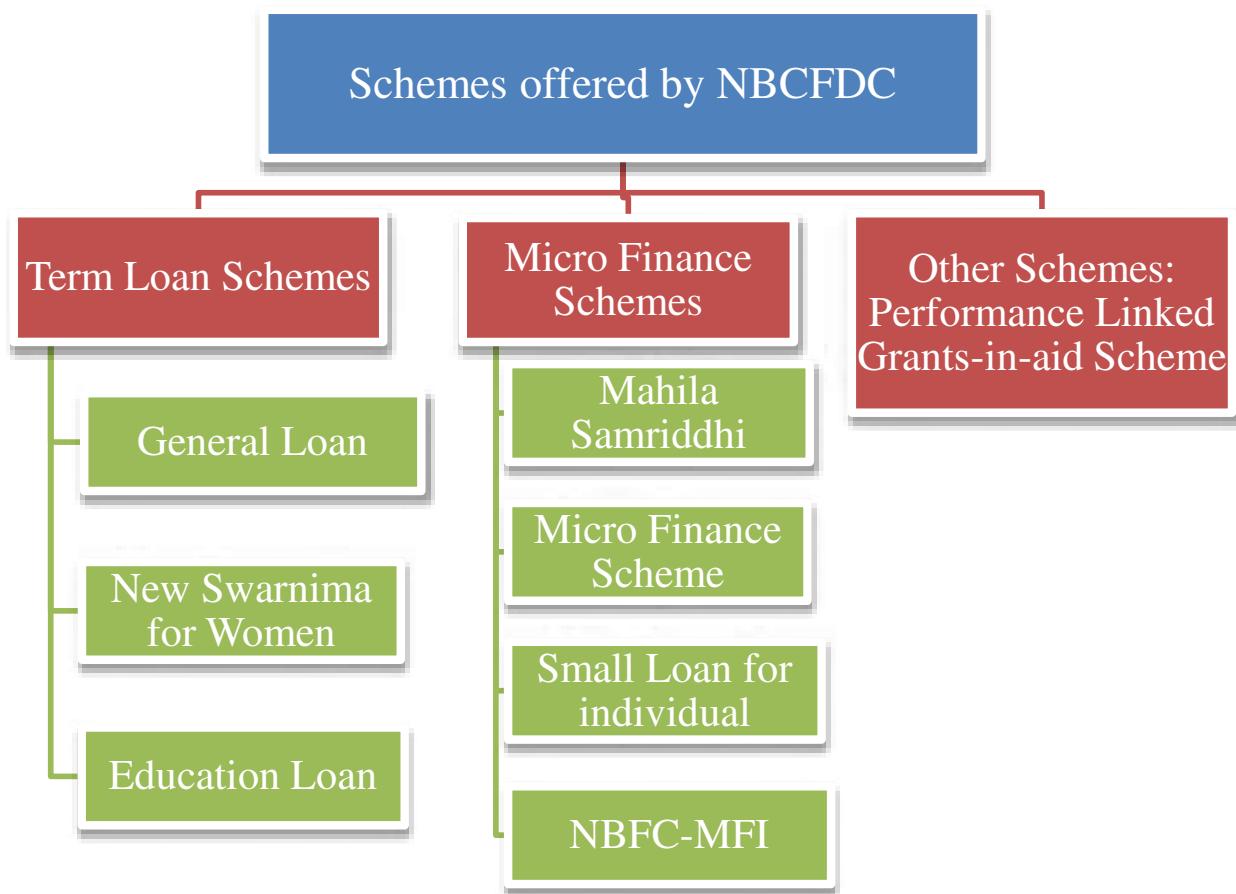
The Corporation can assist a wide range of income-generating activities under the following broad sectors:

- Agriculture and Allied Activities
- Small business/artisan and traditional occupation
- Transport sector and service sector
- Technical, vocational and professional trades/courses

The channel partners (SCAs and Banks) are to disburse loans for viable projects as per needs and choice of beneficiaries under the above mentioned broad sectors.

Figure 1.1: Loan schemes of NBCFDC

The NBCFDC offers a bunch of loan schemes to cater to the needs of the Backward classes.



1. Term Loan Scheme

Under this scheme, a loan is provided for a fixed duration. It includes the following schemes:

- General Loan
- New Swarnima for Women
- Education Loan

General Loan Scheme

Under this scheme, a loan is available for various income-generating activities such as agriculture and allied activities, small business/artisan and traditional occupation, transport sector and service sector and technical and professional trades/courses. Members of Backward Classes(as notified by Central Government/State Governments from time to time) are eligible to take a loan under this scheme. The applicant's annual family income should be less than Rs. 3.00 Lakh.

Salient Features of the scheme

- The maximum loan limit per beneficiary is INR 15 Lakh out of which 85% will be financed through NBCFDC and the remaining 15% will be financed through channel partner/beneficiary share.
- The loan is to be repaid in quarterly installments with a maximum of 8 years (including the moratorium period of six months on the recovery of principal).
- The rate of interest varies from 6% to 8% depending upon the quantum of the loan.

New Swarnima for Women

The scheme has been launched to inculcate the spirit of self- dependence among the women belonging to Backward Classes (as notified by the Central/ State Governments from time to time). The annual family income of the applicant should be less than Rs. 3.00 Lakh.

Salient Features of the Scheme

- The target group of the scheme is the women of Backward Classes having annual family income less than Rs.3.00 Lakh.
- The beneficiary women are not required to invest any amount of her own on the projects up to a cost of Rs.2,00,000/-.
- The rate of interest on the amount of loan is less as compared to the general loan scheme of the Corporation.
- The loan is to be repaid in quarterly installments with a maximum of 8 years (including the moratorium period of six months on the recovery of principal)

Education Loan

- The primary objective of this scheme is to extend educational loans to the students belonging to Backward Classes for pursuing professional/technical education at the graduate and higher level and also to pursue vocational Courses.

Salient Features of the Scheme

- The target group of the scheme covers members of Backward Classes having annual family income less than Rs.3.00 Lakh.
- The applicant should have obtained admission in the courses as specified/approved by NBCFDC eligibility guidelines. The quantum of finance depends upon the nature of the course.
- The interest rate of education loans for boys is 4% per annum and for girls, it is 3.5% per annum.
- The maximum recovery period maybe 10 years, after the lapse of the moratorium period of 5 years i.e. the loan will require to be repaid to NBCFDC by the Channel Partner within 15 years of the same being disbursed.

1.2 Micro Finance Schemes

These include schemes that cater to the microfinance needs of women. It comprises of following four schemes:

Mahila Samriddhi Scheme

This scheme aims at fulfilling the microfinance needs of women entrepreneurs belonging to the Backward Classes. However, the applicant's annual family income should be less than Rs. 3.00 Lakh. Here it is pertinent to mention that in any self-help group 60% of members should be from Backward Classes and the remaining 40% members may be from other weaker sections like Scheduled Caste/handicapped/minorities etc. The scheme is implemented by channel partners in rural and urban areas by way of financing the women beneficiaries either directly or through Self-Help Groups (SHGs).

Salient Features of the Scheme

- The maximum loan limit per SHG is INR15.00 Lakh and the maximum loan limit per beneficiary is INR 1, 00,000/-only.
- There can be a maximum of 20 women as members of one SHG
- The percentage distribution of finance is 95% NBCFDC and 5% from channel partner/beneficiary contribution.
- The interest rate payable on loans from NBCFDC to channel partner is 1% per annum whereas for loans from channel partner to Self Help Groups/Beneficiary, it is 4% per annum.
- The loan is to be repaid in quarterly installments within 4 Years (including the moratorium period of six months on the recovery of principal).

Micro Finance Scheme

This scheme was launched to cater to the needs of small entrepreneurs belonging to the members of Backward Classes as notified by Central/State Govt. from time to time. The applicant's annual family income should be less than Rs. 3.00 Lakh. NBCFDC introduced the scheme through nominated channel partners (State Channelizing Agencies/Banks).

The scheme is implemented by channel partners 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. However, channel partners should disburse loans through Self-Help Groups (SHGs) under Micro Finance Scheme. Here SHGs represent a small economically homogenous group of poor people, who have voluntarily formed the group to save and lend common funds to its members as per group decision. In an SHG 60% of members can be from Backward Classes and the remaining 40% of members may be from other weaker sections like Scheduled Caste/handicapped/minorities etc. Channel partners play a vital role through their field officers, encouraging people of the target group in forming Self-Help Groups and to get financial assistance under the Micro Finance Scheme of NBCFDC.

Salient Features of the Scheme

- The maximum loan limit per SHG is INR15.00 Lakh and the maximum loan limit per beneficiary is INR 1, 00,000/-only.
- There can be a maximum of 20 members of one self-help group.
- The percentage-wise distribution of finance is 90% NBCFDC and 10% from Channel Partner/ Beneficiary contribution.
- The interest rate payable on loans from NBCFDC to channel partner is 2% per annum whereas that for loans from channel partner to Self Help Group/Beneficiary is 5% per annum.
- The loan is to be repaid in quarterly installments within 4 Years (including the moratorium period of six months on the recovery of principal).

Small Loan for individual

The NBCFDC has introduced the Small Loan Scheme for the individual for small business start-ups. The

scheme is implemented through channel partners (State Channelizing Agencies/Banks) for the members of Backward Classes (as notified by Central/State Govt. from time to time). Similar to other schemes, the applicant's annual family income should be less than Rs. 3.00 Lakh.

Salient Features of the Scheme

- The maximum loan limit per beneficiary is INR 1, 00,000/-only.
- The pattern of finance is 85% NBCFDC and 15% from channel partner/beneficiary contribution.
- The interest rate payable on loans from NBCFDC to Channel Partner is 3% per annum whereas that for loans from channel partner to Self Help Groups/beneficiary is 6% per annum.
- The loan is to be repaid within 8 years.

Non-Banking Financial Company-Micro Finance Institution

The Non-Banking Financial Company-Micro Finance Institution (NBFC-MFI) fulfilling the eligibility criteria of NBCFDC may be appointed to act as Channelizing Agency (CA) of NBCFDC in the selected State/UT. The standard norms regarding the eligibility of an institution to act as NBFC-MFI include:

- Registered with the RBI,
- 3 years of continuous profit track record,
- Gross Non-Performing Assets less than 2% and net Non-Performing Assets below 0.5%,
- Member of a credit bureau,
- Minimum Capacity Assessment Rating of MFR5 by CRISIL or its equivalent etc.

The amount would be lent to the beneficiary of the Backward Class community having an annual family income below INR 3.00 Lakh per annum irrespective of the rural or urban area. In the case of landless agriculture labourers and marginalized farmers, the landholding less than one hectare will be deemed as having an annual family income below Rs.1.50 Lakh per annum, landholding between 1-2 hectares will be deemed as having an annual family income below Rs.3.00 Lakh per annum.

Salient Features of the Scheme

- The maximum loan limit per Self Help Group is INR15.00 Lakh and the maximum loan limit per beneficiary is INR 1, 00,000/-only.
- There can be a maximum of 20 members in one self-help group.
- The percentage distribution of finance is 90% NBCFDC and 10% from Non-Banking Financial Company-Micro Finance Institutions (NBFC-MFIs).
- The interest rate payable on loans from NBCFDC to NBFC-MFI is 4% per annum whereas from NBFC-MFI to beneficiary it is 12% per annum
- The loan is to be repaid in quarterly installments within 4 Years (including the moratorium period of six months on the recovery of principal).
- The Channelizing Agency shall endeavour to cover 40% of female beneficiaries in physical as well as financial terms.
- NBFC-MFI shall provide the bank guarantee and/or fixed deposits issued by scheduled commercial banks in the name of "NBFC-MFI account NBCFDC" equivalent to the amount to be disbursed to them as security to NBCFDC.
- NBFC-MFI shall utilize funds within 120 days from the date of release of funds by NBCFDC. Further, it will have to comply with the provisions of NBCFDC about repayment of the loan.

1.3. Performance Linked Grants-in-aid Scheme (PLGIA)

The scheme shall be called the scheme for Grants-in-aid (GIA) to channel partners of the National Backward Classes Finance and Development Corporation (NBCFDC). The objectives of the scheme are to strengthen the infrastructure of channel partners to improve their delivery mechanism, creating awareness, mobilization of eligible beneficiaries, timely utilization of allocated funds and strengthening the recovery system. All channel partners implementing the NBCFDC scheme will be eligible for Grants-in-aid except the dormant/non-functional ones which have not drawn funds from NBCFDC for implementing its lending schemes during the last three years.

Salient Features of the Scheme

- All eligible channel partners in any State/UT can be funded under the grants-in-aid scheme. The grants-in-aid will be provided based on the performance of the Channel Partners, subject to availability of funds.
- The basis of selection for releasing the Performance Linked Grants-in-Aid Scheme (PLGIA) is the timely submission of an annual action plan that is drawn of allocated funds, timely utilization & submission of utilisation certificate, timely recovery of dues from Channel Partners to NBCFDC.
- The NBCFDC reserves the right to accept or reject the claim without citing any reason.
- Grants-in-Aid (GIA) is allowed to perform some specific activities like improvement in the delivery mechanism, hiring of vehicles for loan recovery during recovery, outsourcing of staff for Data Entry Operator and Recovery staff and training to officials of channel partners.
- Under the PLGIA scheme, 100% assistance will be provided to channel partners by NBCFDC.
- The channel partners are responsible to comply with all guidelines for evaluating the PLGIA proposal, consolidating the utilization certificate and furnish the same to NBCFDC within 90 days of receipt of GIA.

CHAPTER II

METHODOLOGY

According to the Indian Constitution, Other Backward Classes (OBCs) are described as “socially and educationally Backward Classes”. The Indian constitution and legal framework call for initiating all possible steps that could ensure the socio-economic well-being of OBCs in India. The socio-economic well-being stands for uplifting the deprived sections of society. The extension of financial assistance is one of many measures initiated by the Government of India to empower the weaker sections.

The NBCFDC provides financial assistance and microfinance to OBCs in different states through respective State Channelizing Agencies (SCAs) and Self Help Groups. In the state of Punjab, there are two prominent SCAs through which financial assistance is extended for NBCFDC schemes:

- Punjab Backward Classes Land Development and Finance Corporation(PBCLDFC), Chandigarh
- Punjab Gramin Bank, Kapurthala

These agencies are serving OBCs through microfinance schemes of NBCFDC.

The present report presents the results drawn through analysing data collected from PBCLDFC. The Punjab Backward Classes Land Development and Finance Corporation (PBCLDFC) was established under Punjab Backward Classes Land Development and Finance Corporation Act, 1976. According to the legal provisions, as laid under this act, the primary duty of the NBCFDC is to undertake the task of economic upliftment of the members of the Backward Classes in the State. The interaction of project team members with the PBCLDFC officers revealed that, currently, they are offering only a General Term Loan (GTL) scheme in Punjab.



Interaction of Project Team with SCA officials in Chandigarh

2.1 Need and Importance of the Study

Indian constitution upholds the principle of equity. Every individual must be treated equally and there should not be any discrimination based on caste, creed, or religion. Despite initiatives and legislative measures by the Government of India to ensure the socio-economic parity of all citizens, the number of deprived and marginalised sections has not reduced considerably. People belonging to these sections must be provided some financial assistance to improve their economical, educational, occupational and social status. The provision of microfinance enables weaker sections to establish their ventures and decently earn their livelihood.

NBCFDC has launched many schemes to promote the financial empowerment of OBCs in different states and Punjab is no exception. It is spending a huge amount for the socio-economic upliftment of the marginalised groups. In this context, it is imperative to evaluate whether the schemes launched by NBCFDC are effective or require modification for being more useful to the needy sections. Therefore, the present study about the evaluation of different schemes of NBCFDC in the state of Punjab assumes great significance to the policymakers.

2.2 Statement of the Problem

NBCFDC provides financial assistance for different activities of Backward Classes like tailoring, dairy farming, carpentry, poultry farming, agricultural activities, etc. The study evaluated the implementation of different schemes of NBCFDC by basically addressing two questions:

- What is the impact of different schemes of NBCFDC on the beneficiaries in Punjab?
- Whether there is any improvement in the socio-economic status of the target group in Punjab or not?

2.3 Objectives

The primary objectives of the present study include:

- To examine whether there is any difference in terms of occupation, level of income and expenditure of beneficiaries before and after availing of the loan
- To examine whether there is any improvement in the family income of the beneficiaries after availing of the loan schemes
- To examine the impact of loan schemes on the socio-economic status of the beneficiaries.
- To analyse the perception of beneficiaries towards State Channelising Agency i.e. PBCLDFC.
- To analyse the perception of beneficiaries towards different schemes of NBCFDC.
- To make suggestions/recommendations for the possible improvement in the delivery mechanism.

2.4 Research Methodology

The study analysed the impact of different loan schemes on the beneficiaries. It followed a quantitative research approach whereby the satisfaction level of the beneficiaries from different facilities provided by the SCAs is ranked on a Likert scale from 1-5. The details of the research methodology are as follows:

Data

- **Nature of Data:** Primary data
- **Data Collection:** The data has been collected through questionnaires.
- **Study Period:** Four Years from 2014-18.

Universe

The state of Punjab, India

Population

Since the study is aimed at evaluating the schemes of NBCFDC in Punjab, the state of Punjab is the

universe for the study. It should be noted that the state of Punjab is divided into twenty-two districts: Amritsar, Barnala, Bathinda, Faridkot, Fazilka, Fatehgarh Sahib, Firozpur, Gurdaspur, Hoshiarpur, Jalandhar, Kapurthala, Ludhiana, Mansa, Moga, Mohali (SAS Nagar), Pathankot, Nawanshahr (Shahid Bhagat Singh Nagar), Patiala, Ropar (Rupnagar), Sangrur, Muktsar (Sri Muktsar Sahib) and Tarn Taran.

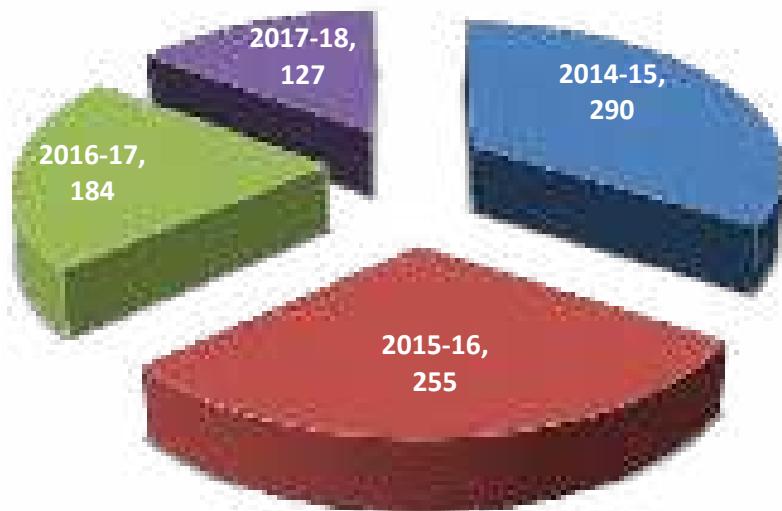
Sampling

- **Sampling Technique:** The study used a multi-stage random sampling method. Under this method, sampling is done from different strata. Punjab Backward Classes Land Development and Finance Corporation (PBCLDFC) is providing loans under the scheme of General Term Loan only. Since the population was limited to the General Term Loan scheme, the strata have been formed based on different years.
- **Sample Size:** All the beneficiaries availing benefits of the loan (under various schemes of NBCFDC) through Punjab Backward Class Land Development Corporation were the target population of this study. As discussed in the project proposal, and consultation with NBCFDC, the study considered a total of 850 beneficiaries from two SCAs for the study i.e. there will be more than 400 beneficiaries per SCA.

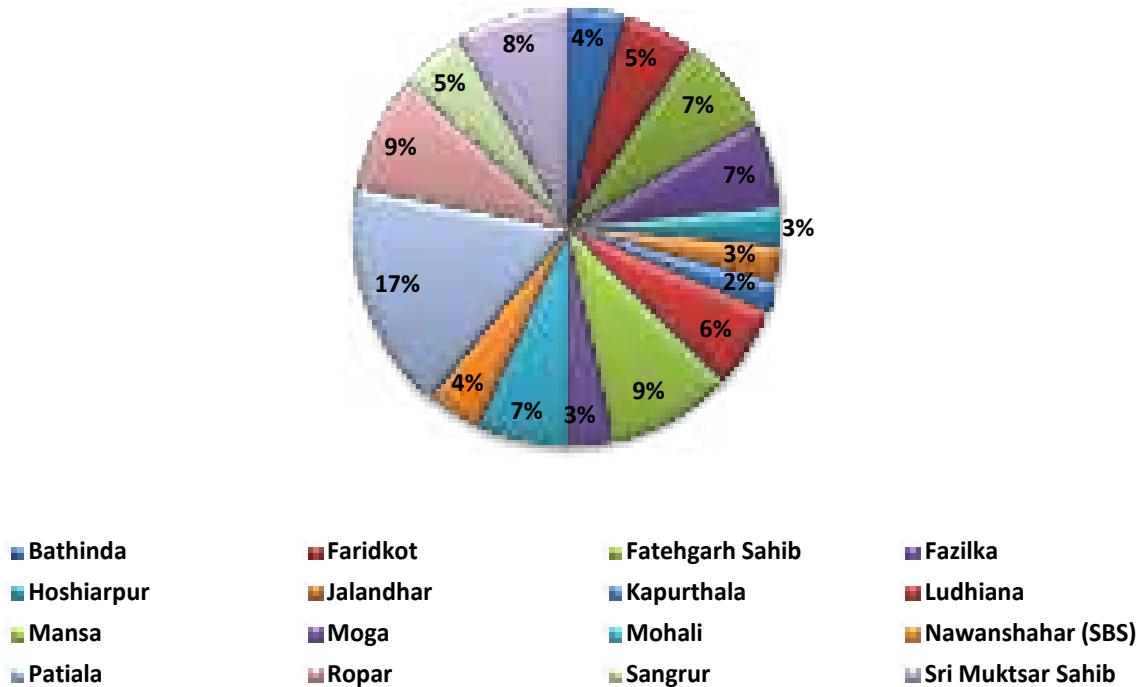
It was observed that out of 22 districts of Punjab, in one district i.e. Pathankot there was no beneficiary during the study period. In three districts viz., Amritsar, Gurdaspur and Tarn Taran there was no beneficiary during 2016-17 and 2017-18. Further, it has been observed that the number of beneficiaries is not quite high in two districts viz., Barnala and Firozpur. All these six districts (Amritsar, Gurdaspur, Barnala, Firozpur, Pathankot and Tarn Taran) were not considered for the study. The population of the remaining 16 districts was 856 beneficiaries. The distribution of the population across different years is enunciated below:

As shown in Figure 2.1, the number of beneficiaries was highest in the first year i.e. 2014-15. Maximum beneficiaries were from the Patiala district. The district-wise proportion of the total beneficiaries of PBCLDFC is shown in Figure 2.2.

Figure 2.1: Year-wise breakup of beneficiaries of PBCLDFC (in number)

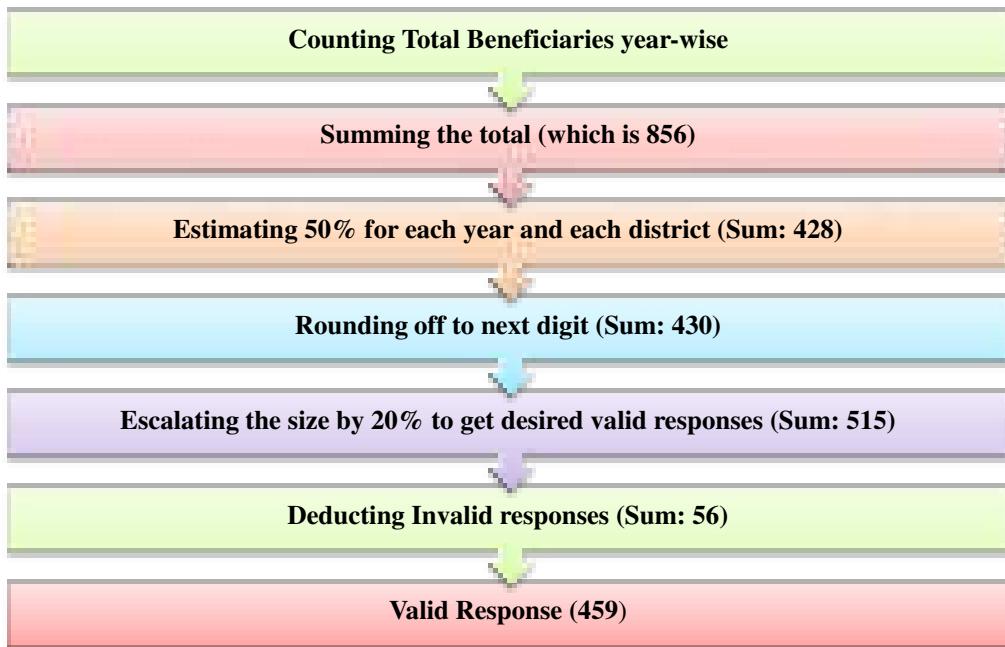


Source: Researcher's Compilation

Figure 2.2: Percentage distribution of beneficiaries of PBCLDFC district-wise

Source: Researcher's Compilation

The study proposed to analyse the responses of 425 beneficiaries which amounts to 50% of the population size. However, the following procedure (Figure 2.3) is adopted to get the final valid data:

Figure 2.3: Procedure followed to obtain a valid response from PBCLDFC

Source: Researcher's Compilation

As shown from the above figure, 515 responses were obtained but out of them, 56 responses were found to be invalid on account of missing information. Therefore, those responses were deducted from the total to get 459 valid responses. Here it is pertinent to mention that though the study needs to account for only 425 responses, the number of valid responses collected for the study i.e. 459 responses are more than the minimum agreed size. Therefore, the study accommodated the increased number and analysed the entire dataset of valid responses i.e. 459 responses. The distribution of the sample across different districts has been briefly represented in Table 2.1.

Table : 2.1 Sample distribution district-wise (2014-2018)

S. No	District	2014-15	2015-16	2016-17	2017-18	Total	2014-15 (50 %)	2015-16 (50 %)	2016-17 (50 %)	2017-18 (50 %)	Total (50 %)	Total after rounding off	Total + 20% (Rounded off)	Invalid Responses	Actual Sample
1.	Bathinda	11	11	9	6	37	5.5	5.5	4.5	3	18.5	19	23	3	20
2.	Faridkot	21	16	9	0	46	10.5	8	4.5	0	23	23	28	4	24
3.	Fatehgarh Sahib	27	23	12	1	63	13.5	11.5	6	0.5	31.5	32	38	5	33
4.	Fazilka	0	19	32	5	56	0	9.5	16	2.5	28	28	34	5	29
5.	Hoshiarpur	10	2	5	7	24	5	1	2.5	3.5	12	12	14	2	12
6.	Jalandhar	5	5	3	9	22	2.5	2.5	1.5	4.5	11	11	13	0	13
7.	Kapurthala	1	10	3	6	20	0.5	5	1.5	3	10	10	12	0	12
8.	Ludhiana	12	19	7	14	52	6	9.5	3.5	7	26	26	31	4	27
9.	Mansa	34	16	11	19	80	17	8	5.5	9.5	40	40	48	6	42
10.	Moga	14	11	3	1	29	7	5.5	1.5	0.5	14.5	15	18	2	16
11.	Mohali	24	16	15	3	58	12	8	7.5	1.5	29	29	35	5	30
12.	Nawanshahar	10	10	12	4	36	5	5	6	2	18	18	22	4	18
13.	Patiala	57	42	22	23	144	28.5	21	11	11.5	72	72	86	1	85
14.	Ropar	20	24	17	13	74	10	12	8.5	6.5	37	37	44	6	38
15.	Sangrur	14	13	7	9	43	7	6.5	3.5	4.5	21.5	22	26	3	23
16.	Sri Muktsar Sahib	30	18	17	7	72	15	9	8.5	3.5	36	36	43	6	37
Total		290	255	184	127	856	145	127.5	92	63.5	428	430	515	56	459

Source: Researcher's Compilation

Data Analysis

A structured questionnaire was administered for beneficiaries. The data collected from different beneficiaries was analysed to get socio-economic information, scheme related information, satisfaction from the different facilities/services extended by SCAs and the impact of different schemes on beneficiaries. To explore the information regarding satisfaction level, the respondents have been asked to rate their satisfaction level from different services/facilities extended by the Punjab Backward Class Land Development and Finance Corporation (PBCLDFC) to them. They have been asked to rank their satisfaction level for the different parameters including loan scheme, assistance and guidance provided by SCA, interest rates, loan sanctioning system, disbursement system, behaviour of the employees during the lending process, size of monthly installments, repayment period,

time taken for loan approval, easy query handling and overall services. The beneficiaries have been asked to rank their satisfaction level at 5 points Likert scale where 1 expresses the high satisfaction level, 2 denotes that they are satisfied, 3 shows that neither they are satisfied with the specific service nor they are dissatisfied. The dissatisfaction has been expressed through 4 and respondents were asked to mark 5 if they are highly dissatisfied with a specific variable.

Similarly, the impact of different schemes on beneficiaries has been evaluated. The respondents have been asked to rank the increment level of some specific variables on account of availing the loan scheme of NBCFDC. The selected variables include participation in social service activities, better schooling of the children, social recognition in the society, participation in organized activities, better access to the health facilities, food consumption pattern, clothing status, better access to financial resources, asset creation, savings rate, the standard of living and minimized family indebtedness. The beneficiaries have been asked to mark 1- if they have experienced notable increment, 2- moderate increment, 3- unchanged, 4- moderate decrease and 5- if they think that there is a notable decrease in the variable after availing the loan scheme.

The responses of various beneficiaries have been recorded in an excel sheet and the same have been analysed using MS-Excel and SPSS software. Pie charts, histograms, bar diagrams and tables have been used to depict the results. Averages, standard deviation, percentage and correlation have been used to analyse the responses.

CHAPTER III

DATA ANALYSIS

As discussed in the previous chapter, the study attempted to analyse the impact of different schemes of NBCFDC over the beneficiaries in the state of Punjab. There are two prominent SCAs in the Punjab region i.e. Punjab Backward Class Land Development and Finance Corporation (PBCLDFC) and Punjab Gramin Bank (PGB). The research team collected the data from the beneficiaries of both of these agencies through a questionnaire. The questionnaire comprises of different sets of questions which can be categorised into the following four categories:

- (1) Socio-economic information
- (2) Scheme related information
- (3) Satisfaction from the different facilities/services extended by the State Channelizing Agencies
- (4) Impact of different schemes on beneficiaries.

The responses of various beneficiaries recorded in the excel sheet have been analysed using MS-Excel and SPSS software. The study focussed on 866 valid responses, out of which 459 respondents were the beneficiaries of PBCLDFC and 407 respondents were the beneficiaries of PGB.

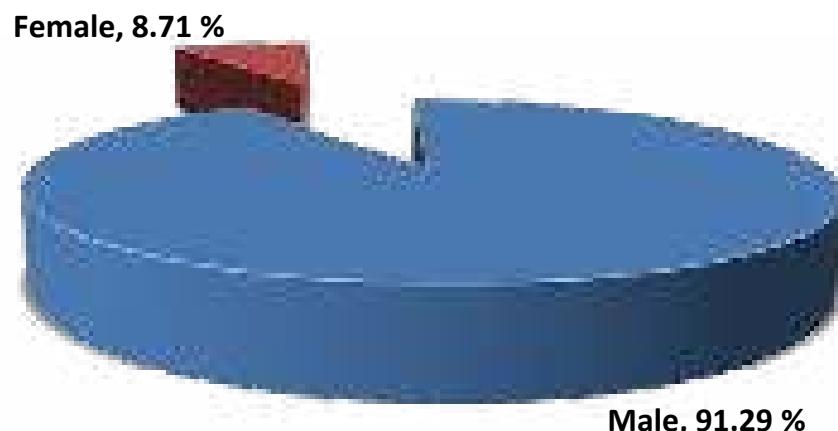
The present chapter deals with the data collected and analysed for PBCLDFC.

3.1 Socio-Economic Status of the Beneficiaries

Gender

It was noticed that the majority (around 91%) of the beneficiaries availing the benefits of the Term Loan scheme were men. A similar trend prevails across different districts. The findings call for the action on the part of channelizing agencies to make more women aware and access the benefits of various schemes of NBCFDC. The results also call for launching different women-centric schemes on the part of NBCFDC. Figure 3.1 shows the gender distribution of the beneficiaries.

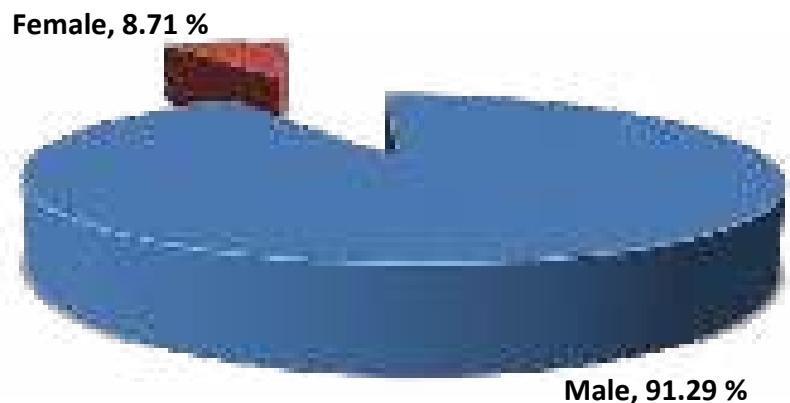
Figure 3.1: Percentage distribution of beneficiaries gender-wise



Source: Researcher's collected data

It is noted that certain women-centric schemes exist only on paper but do not have any practical implications. This necessitates a proper gap analysis regarding the expectation of women in the region and the actual delivery intended by these schemes. The gender-wise distribution of respondents across different districts has been shown in Figure 3.2.

Figure 3.2: Distribution of beneficiaries gender-wise in different districts



Source: Researcher's collected data

The figure depicts the number of females and males district-wise. The percentage analysis of each district reveals that in Fazilka, Jalandhar, Moga and Sangrur only male respondents could be found. The proportion of females was highest in Kapurthala (25%) followed by Nawanshahr (22%), Faridkot (17%), Bathinda (15%) and Fatehgarh Sahib (15%).

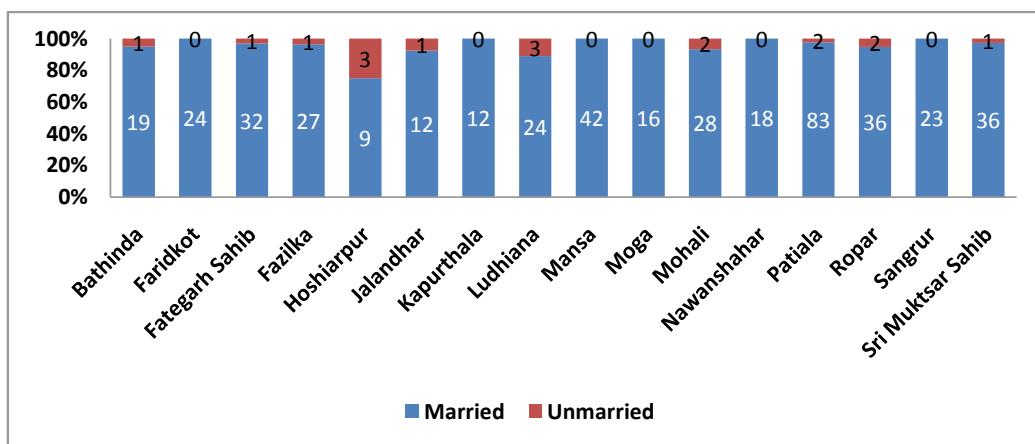
Age

The majority of the population belongs to the middle age group ranging from 35-40 years and also 45-50 age group. This implies that the beneficiaries are in the working-age group and able-bodied.

Marital Status

The majority of the beneficiaries, around 96.29% were married. In six districts namely Faridkot, Kapurthala, Mansa, Moga, Nawanshahr and Sangrur all beneficiaries are married. In Hoshiarpur and Ludhiana, three unmarried beneficiaries were part of the study (Figure 3.3).

Figure 3.3: Distribution of beneficiaries across different districts as per marital status

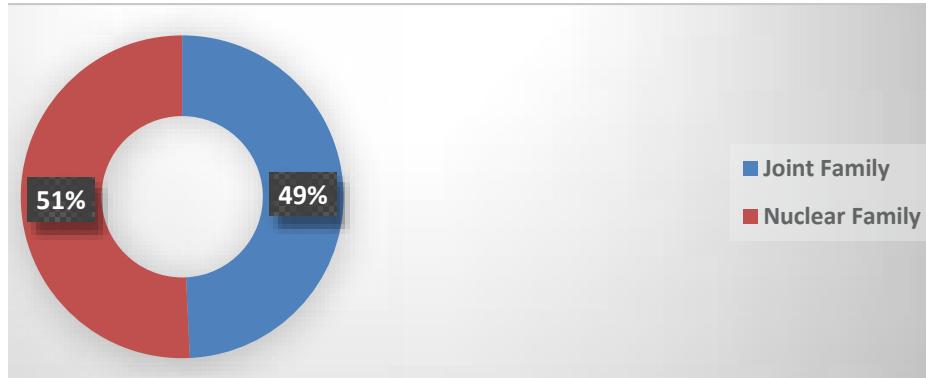


Source: Researcher's collected data

Nature of Family

More than 50% of the beneficiaries have nuclear families (Figure 3.4).

Figure 3.4: Percentage distribution of beneficiaries as per the nature of family



Source: Researcher's collected data

Table 3.1: Distribution of beneficiaries across different districts as per the nature of family (in number)

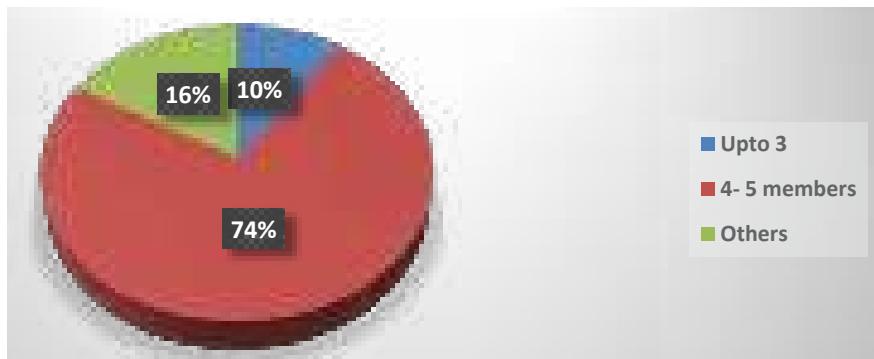
District	Number of Beneficiaries having Joint Family	Number of Beneficiaries having Nuclear Family
Bathinda	4	16
Faridkot	23	1
Fatehgarh Sahib	8	25
Fazilka	5	24
Hoshiarpur	11	1
Jalandhar	13	0
Kapurthala	10	2
Ludhiana	25	2
Mansa	10	32
Moga	16	0
Mohali	20	10
Sri Muktsar Sahib	4	33
Nawanshahr	18	0
Patiala	4	81
Ropar	32	6
Sangrur	23	0
Total	226	233

Source: Researcher's collected data

In districts, Jalandhar, Moga, Nawanshahr and Sangrur, all beneficiaries belong to joint families. In Patiala, most of the beneficiaries belong to nuclear families and the same was observed in Sri Muktsar and Fazilka(Table 3.1).

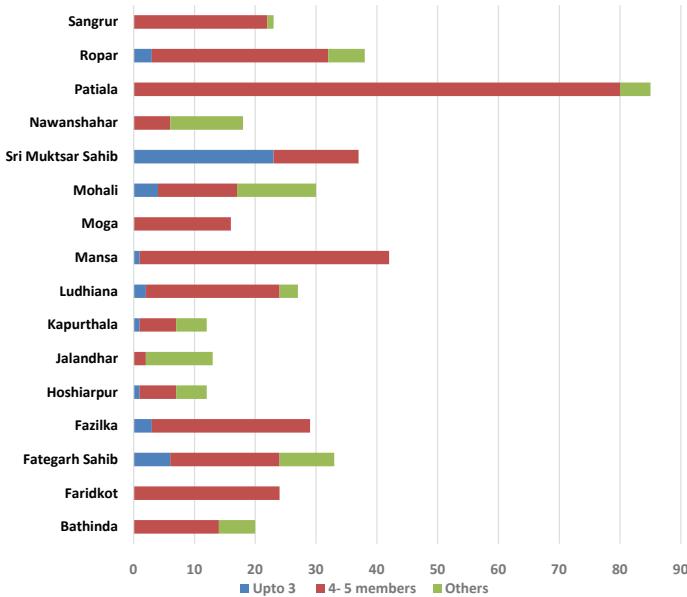
Size of Family

In most of the families, the number of members was in the range of 4-5 family members (Figure 3.5).

Figure 3.5: Percentage distribution of beneficiaries as per the size of the family

Source: Researcher's collected data

The district-wise distribution of the population is been presented in Figure 3.6.

Figure 3.6: Distribution of beneficiaries across different districts as per the size of the family

Source: Researcher's collected data

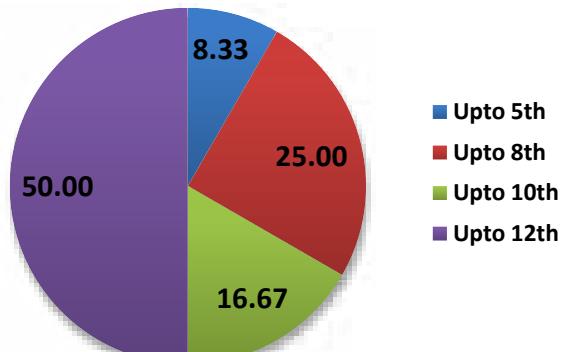
In Faridkot and Moga, all beneficiaries fall under 4-5 family members group. In Patiala, despite nuclear families, the number comes under the category of 4-5 family members group. In Sri Muktsar Sahib the nuclear family system was observed and the size of their family was found to be limited to only three members per family.

Education Level

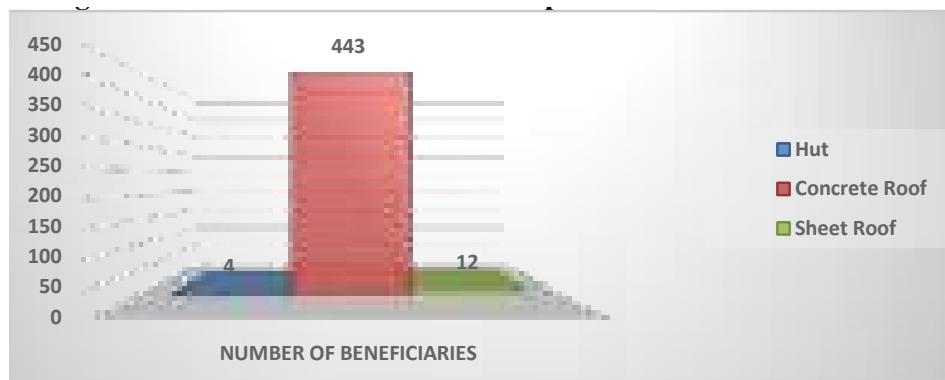
All of the beneficiaries were literate and the majority of them were intermediate (12th standard) passed. None of the studied population has completed his/her post-graduation or graduation. Figure 3.7 shows the educational level of respondents.

Nature of House Occupied

The respondents were enquired about the types of houses in which they reside –either huts or having concrete/sheet roof over their houses. Around 96.5% i.e. 443 beneficiaries have concrete roof houses and 2.6% i.e. 12 of them have sheet roof houses (Figure 3.8). It was noted that the four respondents who had the hut typed houses were in Kapurthala district.

Figure 3.7: Percentage distribution of beneficiaries education-wise

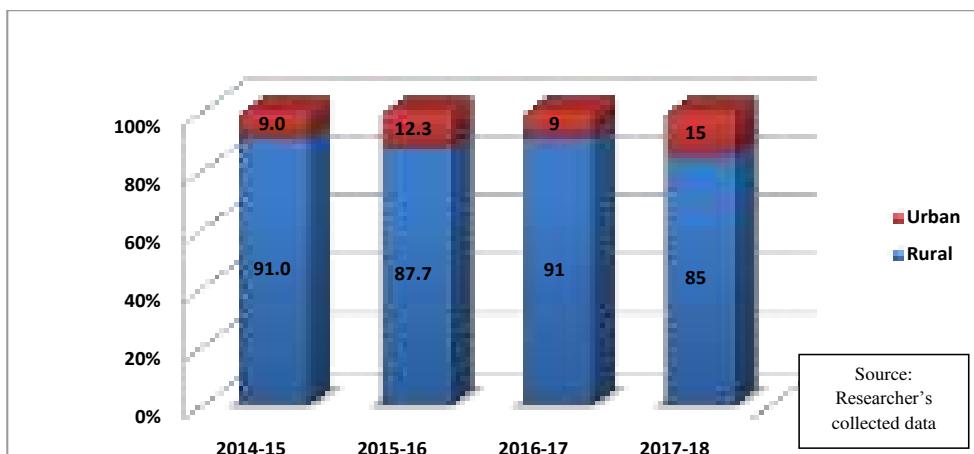
Source: Researcher's collected data

Figure 3.8: Number of beneficiaries as per the nature of house

Source: Researcher's collected data

Region

The geographical distribution of the studied population revealed that the majority of beneficiaries is from a rural region. The year-wise analysis of the collected data reported that the average share of urban beneficiaries has increased from 9% in the year 2014-15 to 15% in the year 2017-18. Figure 3.9 presents the share of beneficiaries across different years.

Figure 3.9: Percentage distribution of beneficiaries region-wise (2014-2018)

It was observed that in some districts like Bhatinda, Fazilka, Kapurthala, Moga and Nawanshahr all the beneficiaries reside in rural areas. Table 3.2 gives the residential background of different beneficiaries across different districts.

Table 3.2: Number of beneficiaries across different districts region-wise

District	Number of Rural Beneficiaries	Number of Urban Beneficiaries
Bathinda	20	0
Faridkot	17	7
Fatehgarh Sahib	29	4
Fazilka	29	0
Hoshiarpur	11	1
Jalandhar	12	1
Kapurthala	12	0
Ludhiana	17	10
Mansa	38	4
Moga	16	0
Mohali	27	3
Nawanshahar	18	0
Patiala	73	12
Ropar	34	4
Sangrur	20	3
Sri Muktsar Sahib	35	2
Grand Total	408	51

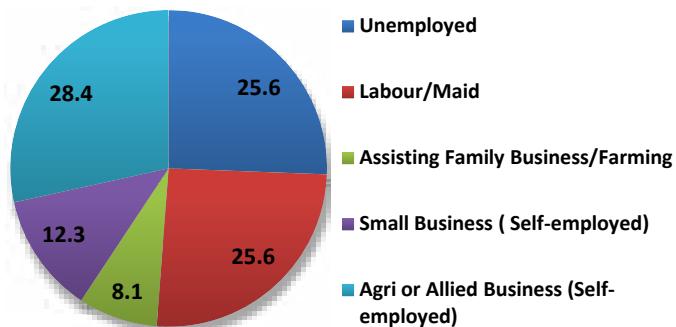
Source: Researcher's collected data

A significant proportion of Ludhiana (ten out of twenty-seven i.e. 37%) and Faridkot (seven out of twenty-four i.e. 29%) reside in the urban region. But it will not be wrong to submit that a large chunk of beneficiaries resides in rural regions. The results call for a need to motivate urban residents of Bhatinda, Fazilka, Kapurthala, Moga and Nawanshahr to avail of the scheme.

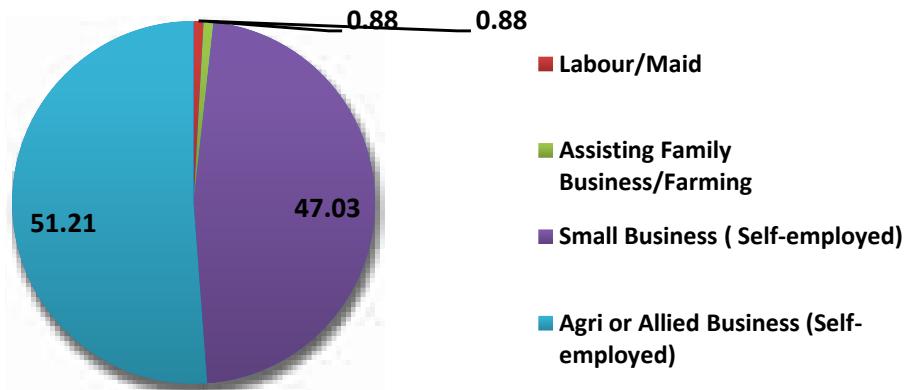
Occupational Changes

A remarkable change in the occupation has been observed in the study. The schemes of NBCFDC reduced the unemployment problem in the region. It was noticed that 25.6% of the studied population was unemployed before availing of the scheme but all became self-employed after availing of the benefits of the scheme. Figures 3.10 and 3.11 describe the occupational changes brought about by the scheme.

Figure 3.10: Percentage distribution of beneficiaries occupation-wise (Before Loan)

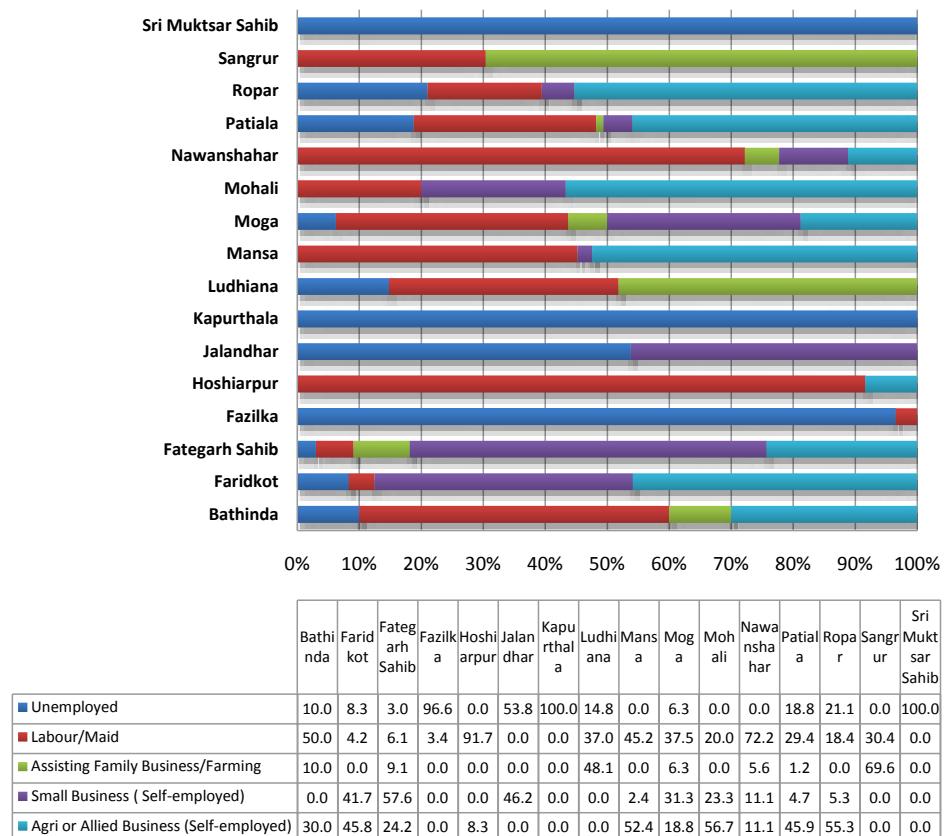


Source: Researcher's collected data

Figure 3.11: Percentage distribution of beneficiaries occupation-wise (After Loan)

Source: Researcher's collected data

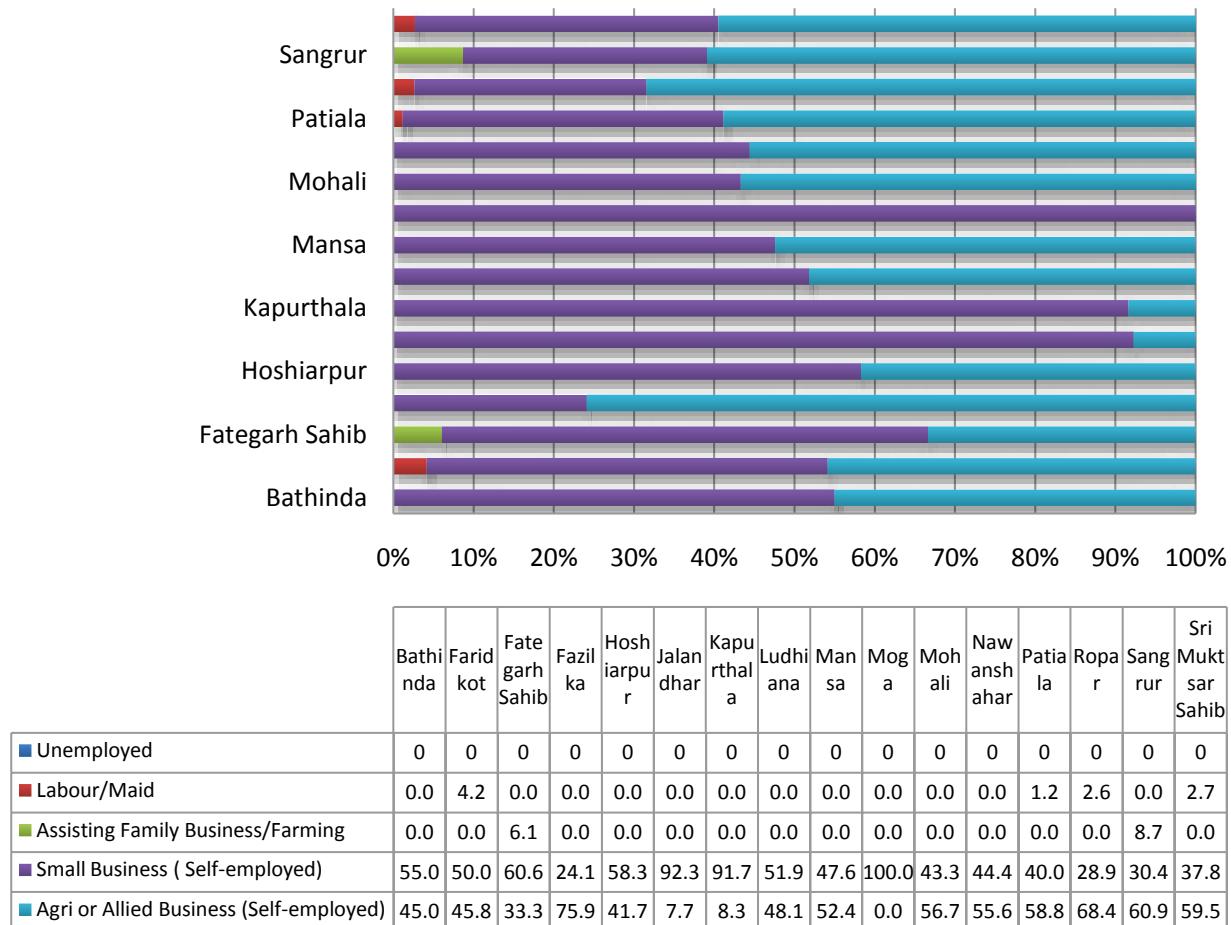
As depicted in the figures, before availing the benefits of the scheme around 26% of the respondents were found to serve as labour/maid whereas after availing the benefits only 0.88 % population served as labour/maid. This is a positive development as the objective of the schemes is to foster the spirit of self-dependence. The share of the population engaged in small business and agriculture or allied business has also registered remarkable growth.

Figure 3.12: Percentage distribution of Beneficiaries across different districts occupation-wise (Before Loan)

Source: Researcher's collected data

The results as per Figure 3.12 reveal that all the beneficiaries of Sri Muktsar Sahib and Kapurthala were unemployed before availing the benefits of loan schemes of NBCFDC. The same was observed in Fazilka (around 97%), Jalandhar (around 54%), Ropar (21%) and Patiala (around 19%). In Hoshiarpur around 92% and in Nawanshahar around 72% of the beneficiaries were labourers. The same was noted as 50% in Bhatinda and 45% in district Mansa. The occupation wise proportional distribution of beneficiaries after availing the loan from PBCLDFC is depicted in Figure 3.13.

Figure 3.13: Percentage distribution of Beneficiaries across different districts occupation-wise (after Loan)



Source: Researcher's collected data

As depicted in the above figure, the number of unemployed beneficiaries reduced to zero. Further, it is remarkable to observe that the proportion of beneficiaries working as a labourer or housemaids has been significantly reduced. The proportion of beneficiaries working as a labourer/maid has been sigreduced to zero in all districts except Sri Muktsar Sahib, Ropar, Patiala and Faridkot. Further, a significant improvement has been observed in the proportion of beneficiaries running a small business.

General Observations

When the beneficiaries have been asked about the type of account they are holding (i.e. Jan Dhan Account, Saving Account, or any other) all beneficiaries responded that they have saving bank accounts. They also have Aadhar Cards and most of them have a linkage of mobile and Aadhar number which is indicative of awareness of beneficiaries about the government norms.

Annual Family Income

The average annual family income of beneficiaries increased after obtaining the loan from the corporation. The overall average family income across different districts rose from 1265707 to 2403306 i.e. 89.88%, which is truly remarkable. The independent study of different districts reveals the following facts:

The maximum change was observed in the Ropar district where the average income level rose from INR 70142 to INR 183765. The same was followed by Sangrur, Mohali, Fatehgarh Sahib, Fazilka respectively. The least change was observed in district Faridkot where the average income level rose from INR 81125/- to INR 116458/ (43.56%). The same is followed by Jalandhar (49.72%), Kapurthala (51.37%), Nawanshahr (56.33%). The rest of the districts have reported more than 80% increment in average annual family income after availing of the benefits from the scheme. Table 3.3 shows the average annual family income of beneficiaries across different districts showing impact before and after income.

Table 3.3: Average annual family income of beneficiaries across different districts

Districts	Average Annual Family Income (before loan)	Average Annual Family Income (after loan)	% Change
Bathinda	62350	126080	102.21
Faridkot	81125	116458	43.55
Fatehgarh Sahib	81673	168667	106.52
Fazilka	72966	150214	105.87
Hoshiarpur	79208	146667	85.17
Jalandhar	103417	154833	49.72
Kapurthala	102125	154583	51.37
Ludhiana	80737	156778	94.18
Mansa	81000	150000	85.19
Moga	60000	120000	100.00
Mohali	71900	163233	127.03
Nawanshahr	90444	141389	56.33
Patiala	75635	138541	83.17
Ropar	70142	183765	161.99
Sangrur	72068	165626	129.82
Sri Muktsar Sahib	80917	166472	105.73
Overall	1265707	2403306	89.88

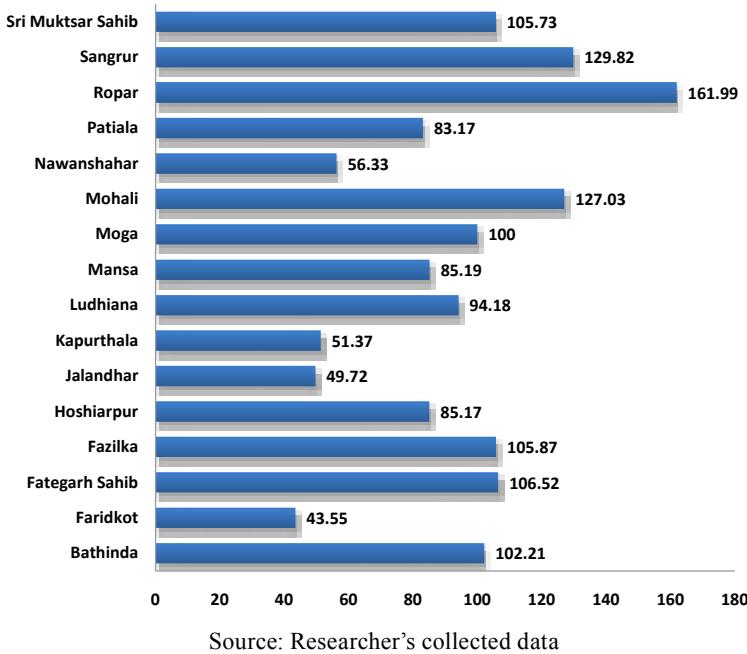
Source: Researcher's collected data

Therefore, from the above, it is concluded that overall Annual Average family Income has been increased from Rs.79,106/-to Rs.1,50,206/- after availing of the loan and having an increase in Annual Average family Income of Rs.71,100/- (89.88%).

In all the districts, there has been an increase in the average family income after availing of the loan schemes of NBCFDC. Out of the entire population of 16 districts, in seven districts the level of average annual income rose to double or even more than that. As shown in table 3.3, the highest increment was observed in Ropar (162%).

Average Monthly Expenditure

The study observed that the scheme successfully uplifted the living standards of the beneficiaries as indicated by the increase in average monthly expenditure incurred by the beneficiaries before and after availing of the

Figure 3.14: Increase in average annual family income across different districts (in percentage)

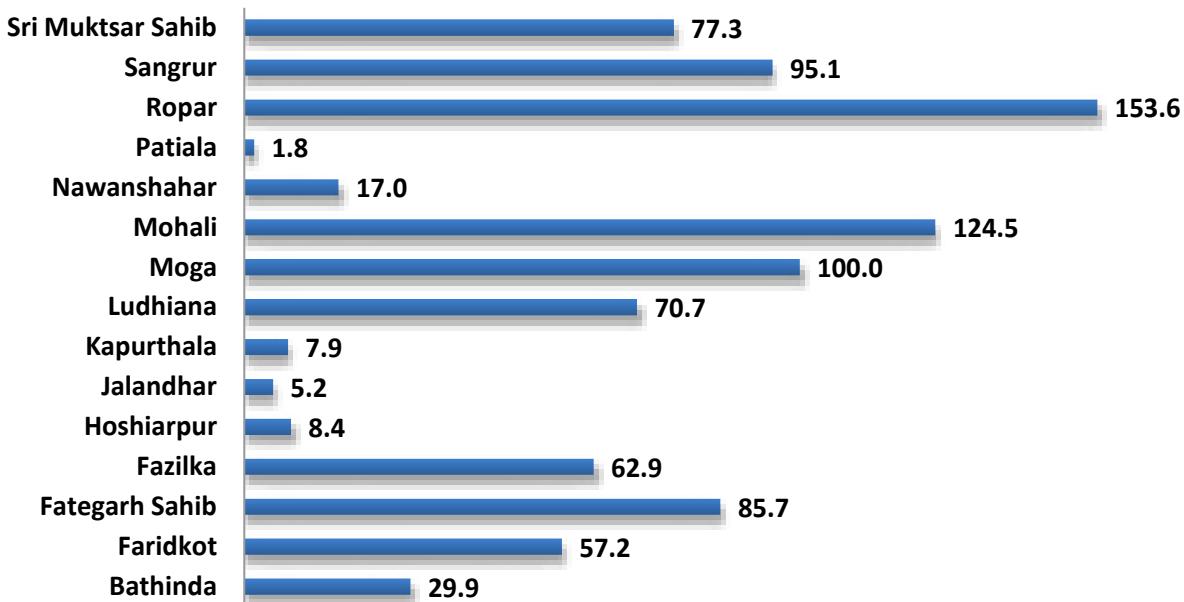
Source: Researcher's collected data

benefits of the loan scheme. It has been found that Ropar district reported a maximum increment from INR 4514 to INR 11447. The same was followed by Mohali, Moga, Sangrur, Fatehgarh Sahib, Sri Muktsar Sahib respectively. A rise of 29.9% was recorded in district Bhatinda followed by Kapurthala (33.1%), Nawanshahr (34.2%), Jalandhar (36.8%) and Patiala (38.8%). The rise in the average monthly expenditure in other districts was found to be around 65%. Table 3.4 and figure 3.15 depict the growth of average monthly expenditure in different districts.

Table 3.4: Average monthly family expenditure across different districts (before the loan and after loan)

Districts	Average of Before Loan Monthly Expenditure	Average of After Loan Monthly Expenditure	Percentage Change
Bathinda	4210	5470	29.9
Faridkot	6604	10383	57.2
Fatehgarh Sahib	6102	11333	85.7
Fazilka	6259	10196	62.9
Hoshiarpur	9875	10708	8.4
Jalandhar	14417	15167	5.2
Kapurthala	12667	13667	7.9
Ludhiana	6519	11130	70.7
Moga	3750	7500	100.0
Mohali	5957	13370	124.5
Nawanshahar	9063	10600	17.0
Patiala	8506	8661	1.8
Ropar	4514	11447	153.6
Sangrur	4457	8696	95.1
Sri Muktsar Sahib	8028	14236	77.3
Grand Total	7073	10613	50.1

Source: Researcher's collected data

Figure 3.15: Increase in average monthly family expenditure across different districts (in percentage)

Source: Researcher's collected data

As revealed by the above figures, there is a notable rise in the average monthly family expenditure across all districts. The highest rise was observed in Ropar, which was 153.6% (from INR 4514 to INR 11447). The same was followed by district Mohali (124.5%) and Moga (100%). In other districts, the percentage rise was less than 100% and the least rise was observed in Patiala, which was just 1.8% i.e. from INR 8506 to 8661. Here it is important to note that the proportion rise in expenditure is less than the proportion increase in family income of the beneficiaries, which is a positive sign as it exhibits improvement in the standard of living of the beneficiaries.

3.2 Scheme Related Information

Name of the scheme

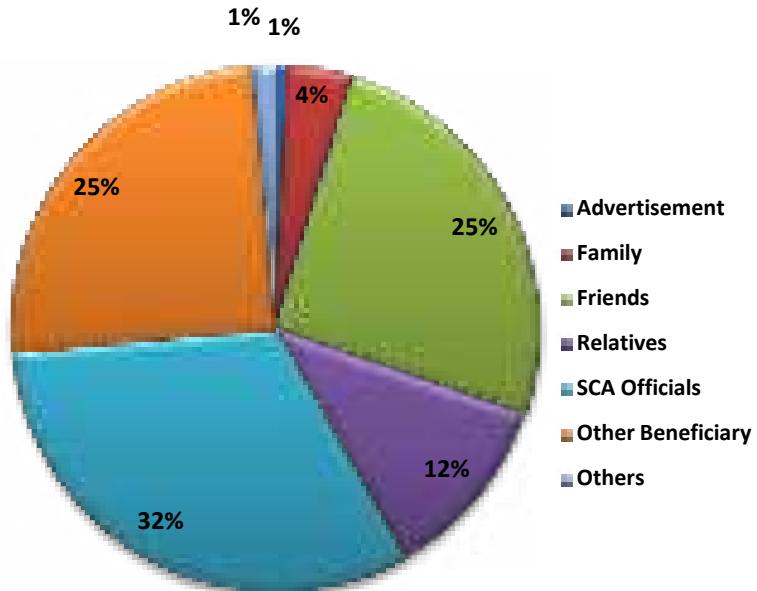
All the respondents availed of the General Term Loan scheme from Punjab Backward Classes Land Development and Finance Corporation (PBCLDFC). This calls for scrutinising the reasons as to why other schemes i.e. New Swarnima Scheme and Mahila Samridhi Yojna were not availed by any of the beneficiaries of PBCLDFC in the entire Punjab state.

Source about the Scheme

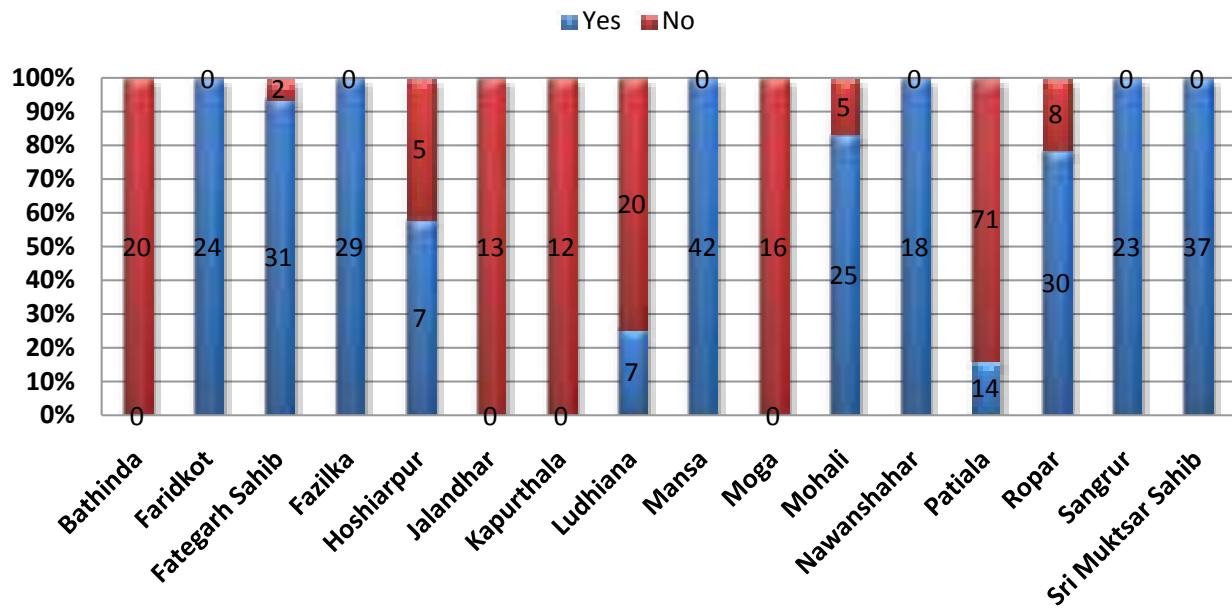
Around one-third of the respondents among the beneficiaries stated that the SCA officials were the source of information about the schemes of NBCFDC. Figure 3.16 shows the share of different sources that have been relied upon by the respondents.

Awareness of other schemes of NBCFDC

As far as awareness regarding other schemes of NBCFDC was concerned, 63% of the beneficiaries expressed that they were aware, whereas around 37% of the beneficiaries replied in the negative. An analysis of different districts shows that the level of awareness about other schemes of NBCFDC is very poor in four districts viz., Bhatinda, Jalandhar, Kapurthala and Moga (Figure 3.17). The blue bars represent the number of those beneficiaries who are aware of the other schemes of NBCFDC and the red bars represent the number of those beneficiaries who are not aware of the other schemes.

Figure 3.16: Source of Information of beneficiaries about schemes (in percentage)

Source: Researcher's collected data

Figure 3.17: Number of Beneficiaries across different districts as per awareness about schemes

Source: Researcher's collected data

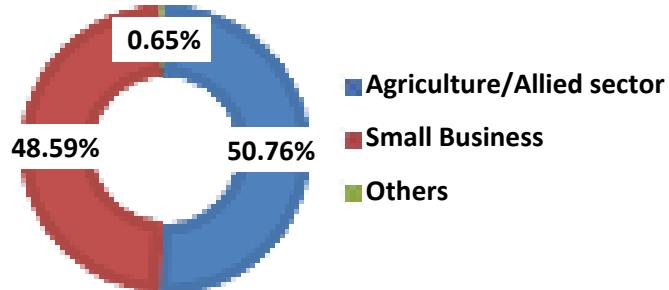
The awareness level is very encouraging in six districts namely Faridkot, Fazilka, Mansa, Nawanshahar, Sangrur and Sri Muktsar Sahib. The awareness level in Patiala and Ludhiana is also not very satisfactory. The lack of awareness in Bhatinda, Jalandhar, Kapurthala and Moga is a cause of concern. The responses stress upon the need for advertising the schemes to make them popular among beneficiaries. The study did not look into the reasons why there has been a marked difference in awareness levels in certain districts about other schemes of NBCFDC.

Any Loan except PBCLDFC: In most of the districts, respondents were not having a loan except that from NBCFDC.

Purpose of Loan

Most of the respondents indicated broad categories viz., Agriculture and allied / small business/ Transport Sector/ Service sector / Education for which they availed the loan. Figure 3.18 shows the distribution of beneficiaries across different sectors.

Figure 3.18: Beneficiaries in terms of the purpose of loan (in percentage)



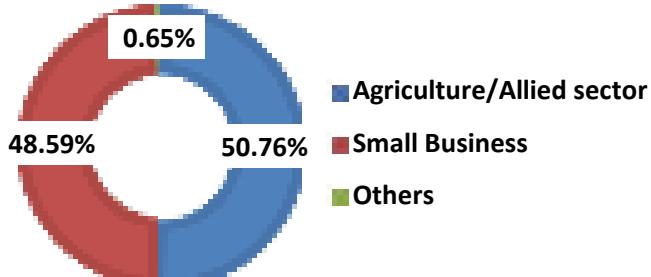
Source: Researcher's collected data

As depicted in figure 3.18, 50.76% of the total respondents i.e. 233 beneficiaries have taken loans for agricultural and allied purposes. A meagre share of the population (one each) invested in other i.e. transport/ service/education sector. It has been observed that out of 459 total borrowers 456 borrowers i.e. 99.35% invested in agriculture / allied / small businesses. They have bought assets to be used in their venture out of loan assistance. The general term loan scheme of NBCFDC is found to be very popular for persons working in the agriculture and allied sector. In most of the districts (except Fazilka, Mohali and Ropar) the loan was taken only for investing in agriculture and allied activities. Table 3.5 and Figure 3.19 demonstrate the present status of distribution of beneficiaries across districts and the purpose for which the loan was utilised.

Table 3.5: Beneficiaries across different districts in terms of the purpose of loan (in number)

Districts	Agriculture/ Allied sector	Small Business	Transport	Service	Education	Total
Bathinda	10	10	0	0	0	20
Faridkot	11	13	0	0	0	24
Fatehgarh Sahib	1	32	0	0	0	33
Fazilka	24	4	0	0	1	29
Hoshiarpur	1	11	0	0	0	12
Jalandhar	0	13	0	0	0	13
Kapurthala	1	11	0	0	0	12
Ludhiana	12	15	0	0	0	27
Mansa	23	19	0	0	0	42
Moga	6	10	0	0	0	16
Mohali	18	11	0	1	0	30
Nawanshahr	8	10	0	0	0	18
Patiala	55	30	0	0	0	85
Ropar	26	11	1	0	0	38
Sangrur	16	7	0	0	0	23
Sri Muktsar Sahib	21	16	0	0	0	37
Grand Total	233	223	1	1	1	459

Source: Researcher's collected data

Figure 3.19: Percentage distribution of beneficiaries across different districts as per Purpose of loan

Source: Researcher's collected data

Surprisingly, in Fazilka only one beneficiary has taken a loan for the education sector. In Mohali and Ropar loan was taken for an investment in the service sector and transportation sector respectively by one beneficiary from each district.

Difficulties in getting Loan

A remarkable fact observed during the study is that most of the respondents (96%) said that they did not experience much difficulty in getting the loan. The primary difficulty faced by around 4% of the beneficiaries said that they faced problems particularly on account of different legal formalities to be complied with. Due to this, the process of sanctioning the loan was time-consuming. Some of the respondents even mentioned that they got the sanction 3-4 months after applying.

Utilization of loan for the intended purpose

The beneficiaries have been asked whether they have utilised the amount for the purpose for which they applied the loan or not. The responses revealed that all beneficiaries (100%) used the sanctioned amount for the agreed purpose only. It is noted that most of the beneficiaries applied for the loan for dairy farming followed by carpentry business.

Amount applied

The majority of the respondents applied for a loan within the range of one and a half to two lakh. The same was followed by small loans ranging between seventy thousand INR to One lakh.

Table 3.6: Percentage of beneficiaries across different districts as per the loan amount applied

Districts	70000-100000	100000-1500000	150000-200000	200000-750000
Bathinda	65.0	15.0	20.0	0.0
Faridkot	58.3	16.7	20.8	4.2
Fategarh Sahib	57.6	24.2	18.2	0.0
Fazilka	0.0	7.1	14.3	78.6
Hoshiarpur	8.3	0.0	58.3	33.3
Jalandhar	30.8	7.7	38.5	23.1
Kapurthala	25.0	0.0	75.0	0.0
Ludhiana	29.6	11.1	55.6	3.7
Mansa	21.4	11.9	66.7	0.0
Moga	62.5	12.5	18.8	6.3
Mohali	13.3	6.7	80.0	0.0
Nawanshahr	22.2	16.7	61.1	0.0
Patiala	52.9	11.8	35.3	0.0
Ropar	28.9	31.6	39.5	0.0
Sangrur	13.0	17.4	34.8	34.8
Sri Muktsar Sahib	10.8	10.8	75.7	2.7

Source: Researcher's collected data

As depicted from the above table 3.6, in Bhatinda (65%), Faridkot (58.3%), Fatehgarh Sahib (57.6%), Moga (62.5%) and Patiala (52.9%) districts, small loans (below one lakh) have been applied. In Fazilka loans for larger amounts (more than two lakh) have been (78.6%) applied.

Amount sanctioned

The analysis of actual loan sanctioned by the Punjab Backward Class Land Development and Finance Corporation (PBCLDFC) shows that around 38% of the sanctioned loan pertains to the category of 1.5-2 lakh followed by around 36% small loans below to the value of one lakh. The following table 3.7 summarises the same.

Table 3.7: Number of beneficiaries across different districts as per the loan amount sanctioned

Districts	70000-100000	100000-1500000	150000-200000	200000-750000
Bathinda	13	3	4	0
Faridkot	16	6	2	0
Fatehgarh Sahib	20	8	5	0
Fazilka	0	3	6	20
Hoshiarpur	1	2	8	1
Jalandhar	4	1	5	3
Kapurthala	3	0	9	0
Ludhiana	11	3	12	1
Mansa	9	5	28	0
Moga	10	2	3	1
Mohali	4	7	19	0
Nawanshahr	7	2	9	0
Patiala	46	24	15	0
Ropar	12	13	13	0
Sangrur	4	5	8	6
Sri Muktsar Sahib	5	4	28	0
Grand Total	165	88	174	32

Source: Researcher's collected data

In Fazilka district loan worth of more than 2 lakh has been sanctioned to 20 out of 29 total beneficiaries of the district. In Sangrur and Jalandhar district also 26% and 23% of the total beneficiaries of the respective regions were sanctioned large loans. In Bhatinda, Faridkot, Fatehgarh Sahib, Moga and Patiala majority of the small loans worth less than one lakh were sanctioned.

Status of Loan Repayment

Most of the beneficiaries repay the loan amount regularly (Table 3.8). The analysis of the repayment schedule revealed the mismatch of agreed and the actual payment schedule on a small scale.

In the Mohali district, three beneficiaries reported to be irregular and three more observed to be defaulters. In district Ludhiana also one case has been reported to be irregular.

Reason for Irregularity/ Defaulter

Five respondents mentioned that they couldn't pay the amount due to the failure of their business. One respondent mentioned personal problems as a root cause for the irregularity in the payment. One mentioned asset loss as the responsible factor for non-regular repayment of the loan.

A surety given for Loan

All beneficiaries have mortgaged their property as a security of loan repayment.

Table 3.8: Number of beneficiaries across different districts as per loan repayment

Districts	Regular	Irregular	Defaulter	Total Beneficiaries
Bathinda	20	0	0	20
Faridkot	24	0	0	24
Fatehgarh Sahib	33	0	0	33
Fazilka	29	0	0	29
Hoshiarpur	12	0	0	12
Jalandhar	13	0	0	13
Kapurthala	12	0	0	12
Ludhiana	26	1	0	27
Mansa	42	0	0	42
Moga	16	0	0	16
Mohali	24	3	3	30
Nawanshahr	18	0	0	18
Patiala	85	0	0	85
Ropar	38	0	0	38
Sangrur	23	0	0	23
Sri Muktsar Sahib	37	0	0	37
Grand Total	452	4	3	459

Source: Researcher's collected data

Employment given to others

The majority of the loan was taken for dairy farming and not much employment has been generated through the scheme. Out of 459 beneficiaries around 14% of beneficiaries contributed to employment generation. The district-wise results noted that most of the employment has been generated in Fatehgarh Sahib followed by Patiala, Mansa, Moga and Sangrur.

Sufficiency of Loan Amount

The loan amount sanctioned by the State Channelizing Agency under the term loan scheme of NBCFDC was found to be sufficient by most (81%) of the beneficiaries. Table 3.9 depicts the number of beneficiaries across different districts.

All of the beneficiaries of five districts namely Bathinda, Faridkot, Hoshiarpur, Mansa and Moga found the amount of loan to be sufficient for their purposes. However, in the rest of the districts, some beneficiaries remarked that the amount of loan was not sufficient for their purposes.

3.3 Satisfaction from the Different Facilities/ Services

The respondents rated their satisfaction level from different services/facilities extended by the Punjab Backward Class Land Development Corporation (PBCLDFC) to them. They ranked their satisfaction level for the different parameters including loan scheme, assistance and guidance provided by SCA, interest rates, loan sanctioning system, disbursement system, behaviour of the employees during the lending process, size of monthly installments, repayment period, time taken for loan approval, easy query handling and overall services. They ranked satisfaction level at 5 point Likert scale where 1 expresses the high satisfaction level, 2 denotes that they are satisfied, 3 shows that neither they are satisfied with the specific service nor they are dissatisfied. The dissatisfaction has been expressed through 4 and respondents were asked to mark 5 if they are highly dissatisfied with a specific variable. Table 3.10 exhibits the descriptive statistics of the satisfaction level.

Table 3.9: Number of beneficiaries across different districts indicating sufficiency/ insufficiency of loan

Districts	Sufficient	Insufficient	Total
Bathinda	20	0	20
Faridkot	24	0	24
Fatehgarh Sahib	31	2	33
Fazilka	23	6	29
Hoshiarpur	12	0	12
Jalandhar	6	7	13
Kapurthala	5	7	12
Ludhiana	24	3	27
Mansa	42	0	42
Moga	16	0	16
Mohali	29	1	30
Nawanshahr	17	1	18
Patiala	52	33	85
Ropar	23	15	38
Sangrur	20	3	23
Sri Muktsar Sahib	27	10	37
Total	371	88	459

Source: Researcher's collected data

Table 3.10: Level of satisfaction among beneficiaries towards different services offered by PBCLDFC

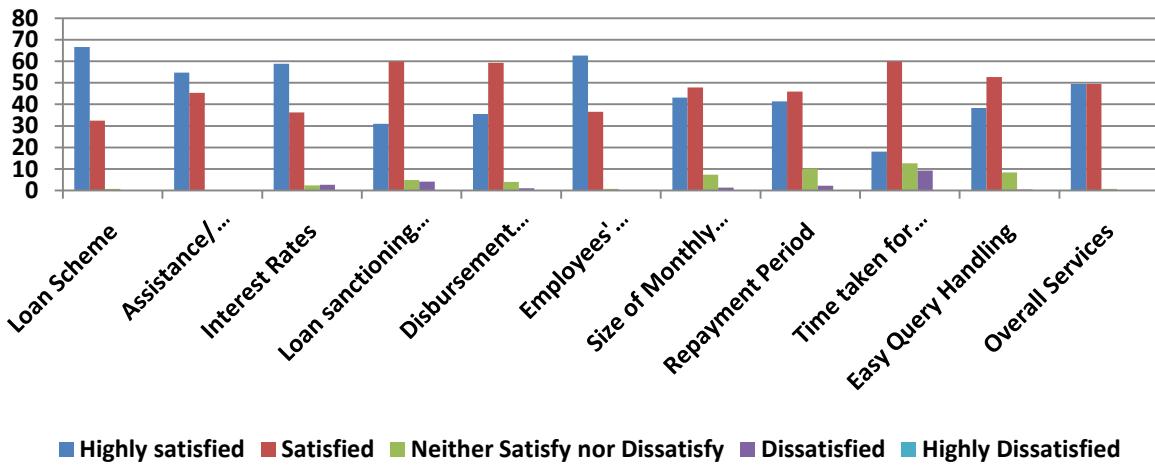
Variables	Average	Standard Deviation
Loan Scheme	1.34	0.502
Assistance/ Guidance by SCA	1.45	0.498
Interest Rates	1.49	0.675
Loan sanctioning system	1.83	0.717
Disbursement system	1.71	0.613
Employee's Behaviour	1.38	0.499
Size of Monthly installments	1.68	0.688
Repayment Period	1.74	0.746
Time is taken for Loan Approval	2.14	0.822
Easy Query Handling	1.71	0.650
Overall Services	1.52	0.550

Source: Researcher's collected data

It has been observed that on average beneficiaries expressed a high satisfaction level on four services extended by Punjab Backward Class Land Development Corporation viz., loan scheme, assistance/ guidance by SCA, interest rates and employees' behavior. The beneficiaries are satisfied with the rest of the services/facilities. It is interesting to note that few beneficiaries have shown their extreme dissatisfaction with seven variables viz., loan sanctioning system, disbursement system, size of monthly installments, repayment period, time taken for

loan approval, easy query handling and overall services. The highest variance was observed concerning the time taken for loan approval. Figure 3.20 and Table 3.11 show the number and percentage of beneficiaries for their satisfaction level to a particular variable.

Figure 3.20: Satisfaction Level of beneficiaries to particular service variable (in number)



■ Highly satisfied ■ Satisfied ■ Neither Satisfy nor Dissatisfy ■ Dissatisfied ■ Highly Dissatisfied

Source: Researcher's collected data

Table 3.11: Satisfaction Level of beneficiaries to particular service variable (in percentage)

Variables	Highly satisfied	Satisfied	Neither Satisfy nor Dissatisfied	Dissatisfied	Highly Dissatisfied
Loan Scheme (LS)	66.7	32.5	0.7	0.2	0
Assistance/ Guidance by SCA (A)	54.7	45.3	0	0	0
Interest Rates (IR)	58.8	36.2	2.4	2.6	0.0
Loan sanctioning system (LSS)	30.9	59.9	4.8	4.1	0.2
Disbursement system (DS)	35.5	59.3	3.9	1.1	0.2
Employees' behavior (EB)	62.7	36.6	0.7	0	0
Size of Monthly installments (SMI)	43.1	47.9	7.4	1.3	0.2
Repayment Period (RP)	41.4	46.0	10.2	2.2	0.2
Time taken for Loan Approval (T)	18.1	59.9	12.6	9.2	0.2
Easy Query Handling (EQH)	38.3	52.7	8.3	0.4	0.2
Overall Services (OS)	49.5	49.5	0.7	0.2	0.2

Source: Researcher's collected data

Around two-thirds of the beneficiaries were found to be highly satisfied with the loan scheme. The same was followed by satisfaction with the employee's behavior, which represents a sound human resource management system by SCA. The highly dissatisfaction variable for the beneficiaries has been identified as the time taken for the approval of the loan. This calls for immediate intervention on the part of the authorities. The next was a loan-sanctioning system whereby 4% of respondents expressed their high level of dissatisfaction. None of the respondents has shown any dissatisfaction with the assistance/ guidance by State Channelizing Agency. Table 3.12 shows the correlation of overall satisfaction with other variables.

Table 3.12: Correlation of overall satisfaction with different variables

Variables	Correlation
Loan Scheme (LS)	0.469
Assistance/ Guidance by SCA (A)	0.480
Interest Rates (IR)	0.235
Loan sanctioning system (LSS)	0.428
Disbursement system (DS)	0.285
Employees' behavior (EB)	0.422
Size of Monthly installments (SMI)	0.132
Repayment Period (RP)	0.057
Time taken for Loan Approval (T)	0.215
Easy Query Handling (EQH)	0.198

Source: Researcher's collected data

As is evident from the above table, overall satisfaction has a good correlation with the assistance provided by SCA followed by loan schemes, loan sanctioning system and employee's behavior. It was observed that the repayment period followed by the size of monthly installments doesn't have a good correlation with overall satisfaction probably due to the reason that respondents know that the State Channelizing Agency does not have any control to regulate these variables.

3.4 Impact of Different Schemes on Beneficiaries

The study also looked into the impact of different schemes on beneficiaries. The respondents have been asked to rank the impact of specific variables on account of availing the loan scheme of NBCFDC. The selected variables include participation in social service activities, better schooling of the children, social recognition in the society, participation in organized activities, better access to the health facilities, food consumption pattern, clothing status, better access to financial resources, asset creation, savings rate, the standard of living and minimized family indebtedness. The beneficiaries have been asked to mark 1- if they have experienced notable increment, 2- moderate increment, 3- unchanged, 4- moderate decrease and 5- if they think that there is a notable decrease in the variable after availing the loan scheme.

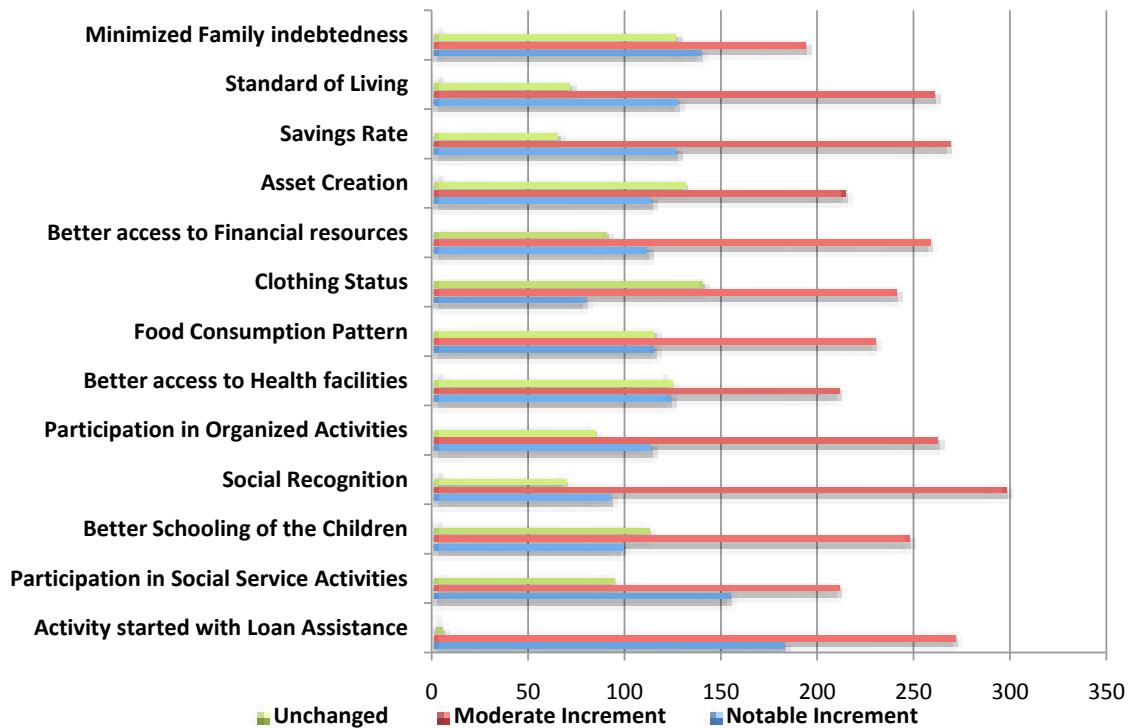
On an average the respondents of PBCLDFC seem to be satisfied with the services provided by the PBCLDFC and reported a notable increment in different variables studied through the questionnaire. The variable clothing status followed by asset creation, better schooling and better access to financial resources were observed to have got the least satisfaction level. Further, the average scores of these variables are more than 2, which portrays the scope of improvement. NBCFDC may think of enhancing the credit limit so that the basic needs of the needy section can be properly addressed. The following Figure 3.21 and Table 3.14 present the number and percentage of beneficiaries concerning their perception regarding the overall impact of the loan schemes of NBCFDC.

As shown from the Figure 3.21 and Table 3.14, 39.7% of the respondents expressed that there was a positive impact of the loan scheme on the activity started by them (as measured by the variable 'Activity started with Loan Assistance' is notable). The same is followed by Participation in Social Service Activities (33.6%) and Minimized family indebtedness (30.3%). 64.7% of the respondents feel that there has been a moderate increment

Table 3.13: Descriptive Statistics of variables to assess the impact of schemes on beneficiaries

Variables	Average	Standard Deviation	Minimum	Maximum
Activity started with Loan Assistance	1.621	0.533	1	5
Participation in Social Service Activities	1.869	0.724	1	3
Better Schooling of the Children	2.033	0.684	1	4
Social Recognition	1.954	0.598	1	4
Participation in Organized Activities	1.937	0.653	1	3
Better access to Health facilities	2.007	0.740	1	4
Food Consumption Pattern	2.000	0.709	1	3
Clothing Status	2.133	0.679	1	3
Better access to Financial resources	1.954	0.661	1	3
Asset Creation	2.044	0.735	1	4
Savings Rate	1.867	0.632	1	3
Standard of Living	1.882	0.654	1	4
Minimized Family indebtedness	1.976	0.766	1	4

Source: Researcher's collected data

Figure 3.21: Overall impact of loan scheme of NBCFDC on beneficiaries (in number)

Source: Researcher's collected data

in their Social Recognition after availing of the loan. 59% and 58.4% of the respondents observed moderate increment concerning Activity started with Loan Assistance and Savings Rate respectively. However, only 0.2% of respondents experienced a moderate decline in some of the variables like Better Schooling of the Children, Social Recognition, Asset Creation, Standard of Living and Minimized Family indebtedness) after availing the loan. It is evident from the statistics that the overall perception of the beneficiaries concerning the impact of schemes has been satisfactory.

Table 3.14: Perception of beneficiaries w.r.t impact of schemes (in percentage)

Variables	Notable Increase	Moderate Increase	Unchanged	Moderate Decline
Activity started with Loan Assistance (AS)	39.7	59.0	1.1	0.0
Participation in Social Service Activities (PS)	33.6	46.0	20	0
Better Schooling of the Children (SC)	21.6	53.8	24.4	0.2
Social Recognition (SR)	20.0	64.7	15.0	0.2
Participation in Organized Activities (PO)	24.6	57.1	18.3	0.0
Better access to Health facilities (HF)	26.8	46.0	27.0	0
Food Consumption Pattern (FC)	25.1	49.9	25.1	0.0
Clothing Status (CS)	17.2	52.3	30.5	0.0
Better access to Financial resources (FR)	24.2	56.2	19.6	0.0
Asset Creation (AC)	24.6	46.6	28.5	0.2
Savings Rate (SR)	27.5	58.4	14.2	0.0
Standard of Living (SL)	27.7	56.6	15.5	0.2
Minimized Family indebtedness (FD)	30.3	42.0	27.5	0.2

Source: Researcher's collected data

None of the beneficiaries experienced any notable decline in their socio-economic status as measured by different variables after availing of the loan from NBCFDC. Beneficiaries of the schemes observed notable increment in respect of activity starting with loan assistance followed by social service participation, minimized family indebtedness, the standard of living and savings rate. Table 3.15 shows the correlation among variables.

Table 3.15: Correlation among satisfaction level of beneficiaries to different variables

	AS	PS	SC	SR	PO	HF	FC	CS	FR	AC	SR	SL	FD
AS	1												
PS	0.39	1											
SC	0.40	0.71	1										
SR	0.28	0.57	0.47	1									
PO	0.34	0.62	0.53	0.61	1								
HF	0.39	0.66	0.71	0.55	0.67	1							
FC	0.27	0.55	0.56	0.46	0.47	0.61	1						
CS	0.28	0.56	0.60	0.46	0.49	0.65	0.72	1					
FR	0.37	0.57	0.57	0.57	0.61	0.66	0.53	0.55	1				
AC	0.34	0.62	0.64	0.58	0.53	0.67	0.62	0.63	0.63	1			
SR	0.30	0.52	0.44	0.45	0.46	0.46	0.35	0.42	0.57	0.53	1		
SL	0.25	0.39	0.50	0.45	0.44	0.54	0.41	0.49	0.58	0.51	0.63	1	
FD	0.26	0.42	0.49	0.29	0.36	0.49	0.53	0.43	0.42	0.50	0.31	0.42	1

Source: Researcher's collected data

The correlation among different variables was found to be between moderate to a high degree. All variables were found to be positively correlated with each other. The highest correlation was found between Clothing Status and Food Consumption Pattern (0.72 i.e. 72%). The same is followed by Better access to Health facilities and Better Schooling to children (71%) and between Better access to Health facilities and Participation in Social Service Activities (66%). Since there is a high correlation (more than 0.65 or 65%) between these variables, officials must take care of these variables and try to maximise satisfaction towards these variables.

CHAPTER IV

FINDINGS OF THE STUDY

The study analysed the beneficiaries of Punjab Backward Classes Land Development and Finance Corporation (PBCLDFC), Chandigarh. The data regarding socio-economic conditions, scheme related information, satisfaction from the different facilities/services extended by State Channelizing Agency and the impact of different schemes was collected by administering a questionnaire to beneficiaries. The findings can be discussed as follows:

4.1 Socio-Economic Status of Beneficiaries

Gender

The majority (around 91%) of the beneficiaries of Punjab Backward Classes Land Development and Finance Corporation (PBCLDFC) who availed the benefits of the term loan scheme were men. The district-wise analysis revealed that in Fazilka, Jalandhar, Moga and Sangrur there were only male respondents.

Education

All the beneficiaries in the studied population were literate and the majority of them were high school (10th standard) or intermediate (12th standard) passed. Among the beneficiaries of Punjab Backward Classes Land Development and Finance Corporation (PBCLDFC), none of them completed his/her post-graduation or graduation.

Family Structure

More than 95% of the beneficiaries are married and have concrete roofed houses. Further, the majority of the studied population is of middle-aged groups ranging from 35-40 years and 45-50 age groups. Therefore, it can be concluded that most of the beneficiaries belong to the working-age group. The majority of the respondents (51%) have a nuclear family system having up to 4-5 members in the family. Around 74% of the beneficiaries have 4-5 members and 10% have only up to three members in the family.

Geographical Distribution

The geographical distribution of the studied population shows that majority of beneficiaries are from a rural region. The year-wise analysis of the data collected from PBCLDFC reported that the average share of urban beneficiaries has increased from 9% in the year 2014-15 to 15% in the year 2017-18. In Fazilka and Gurdaspur a reasonable number of beneficiaries reside in the urban region. However, SCAs primarily cater to the needs of a large chunk of the rural population.

Awareness of Government Norms

All beneficiaries have savings bank accounts and Aadhar cards. Most of them have a linkage of mobile to Aadhar number which indicates the awareness of beneficiaries to the government norms.

4.2 Effect of Loan on Employment

Self-employment

A remarkable change in the occupation status of beneficiaries has been observed in the study. The schemes of NBCFDC reduced the unemployment problem in the region. It was noticed that 25.6% of the studied population was unemployed before availing of the scheme but all became self-employed after availing of the benefits of the scheme.

Occupational structure

Before availing the benefits of the schemes around 26% of the beneficiaries of PBCLDFC were found to serve as labour/maid whereas after availing the benefits only 9 % population served as labour/maid. The share of the population engaged in small business and agriculture or allied business has also registered remarkable growth.

Employment generation in the economy

The majority of the loan was taken for agriculture/allied activities and not much employment has been generated through the scheme. Out of 459 beneficiaries of PBCLDFC, around 14% of beneficiaries contributed to further employment generation.

4.3 Effect of Loan on Family Income of Beneficiaries

The average annual family income of beneficiaries increased after obtaining the loan from the NBCFDC. It is noted (in consultation with NBCFDC) that a person residing in an urban area is supposed to be below (BPL) if his annual family income is less than Rs. 60,000/- . In the case of a person residing in a rural area, the limit is Rs. 49,000/- . The limits for the Double poverty line (DPL) are 1, 20,000/- and 98,000/- for urban and rural areas respectively.

It has been observed in Table 4.1 that before availing of the loan schemes 18 persons were, below the poverty line (BPL) and 459 persons (441+18) were below the double poverty line (DPL). After availing of the schemes only one person was below the poverty line and six were above the poverty line but below DPL. 452 respondents were above DPL after availing of a loan.

Table 4.1: Status of BPL and DPL beneficiaries before and after availing loan

Before Loan			After Loan		
Economic status before the loan	Number of Beneficiaries	%	Economic status after loan	Number of Beneficiaries	Percentage
BPL	18	3.92	BPL	1	0.22
Above BPL but below DPL	441	96.08	Above BPL but below DBPL	6	1.31
Above DPL	-	-	Above DPL	452	98.47
Total	459	100	Total	459	100.00

Source: Researcher's collected data

The economic status of the beneficiaries before and after getting a loan is presented in the above table. From Table 4.1, it is found that 441 (96.08%) of beneficiaries are in the above BPL but below DPL before getting a loan. It is further identified that after the loan was availed, 0.22 % of respondents remain below the poverty line, 1.31% of respondents remain above BPL but below DPL. 98.47% of the respondents were above DPL.

Hence, it is concluded that for 17 i.e. 94.4 % beneficiaries economic status changed from BPL to Above BPL, but below DPL and for 435 beneficiaries, the economic status changed from DPL to above DPL. Only 0.22 % of respondents are still in BPL after availing of the loan. This may be due to the failure of the business or some unforeseen circumstances.

Table 4.2 Variation in the number of beneficiaries within BPL/DPL

Sr. No.	Economic Status	Status of variations in no. of Beneficiaries			
		Before Loan (1)	After Loan (2)	Change (No. of beneficiaries, who crossed BPL & DPL) (3) (3= 2-1)	% variation (4) (4=3/1*100)
1	Upto BPL	18	1	-17	-94.44
2	Above BPL upto DPL	441	6	-435	-98.63
3	Above DPL	--	452	+452	

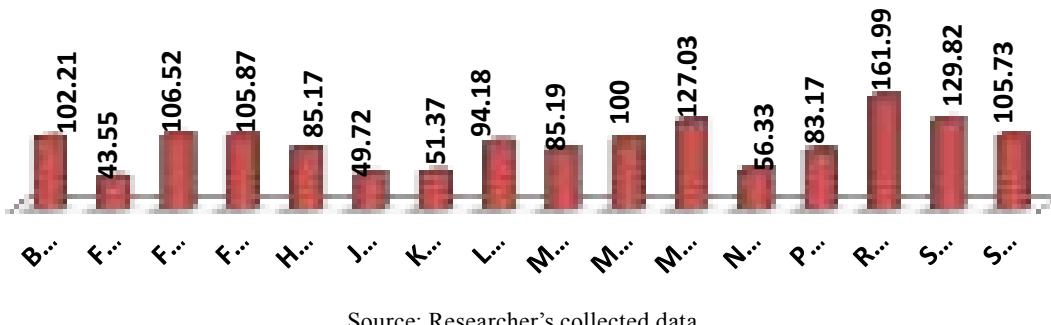
Source: Researcher's collected data

While comparing the number of beneficiaries available in BPL during the before and after the loan period, it is found that 94.44 % of beneficiaries (i.e. 17 beneficiaries) started earning more than the BPL limit. Further, while comparing the no. of beneficiaries available in DPL during the before and after loan period, it is found that 98.63 % of beneficiaries (i.e. 435 beneficiaries) started earning more than DPL (2). Therefore, it is concluded that overall 98.47% of the total number of beneficiaries i.e. 452 beneficiaries out of the population of 459 beneficiaries have started earning more than the DPL category, after availing financial assistance. Only 0.22% of respondents(1 no.) are still in BPL after availing of the loan, which may be due to business failure.

The district-wise analysis (Figure 4.1) revealed that the maximum increment was observed to be 162% [from INR 70142 to INR 183765 in district Ropar (please refer to table 3.4)]. Further, the beneficiaries from the districts Sangrur, Mohali, Fatehgarh Sahib, and Fazilka also reported a rise of more than 100%.

The least change was observed in district Faridkot which was 43.56% followed by districts of Jalandhar (49.72%), Kapurthala (51.37%), Nawanshahr (56.33%). The rest of the districts have reported more than 80% increment in average annual family income after availing of the benefits from the scheme. Further, the overall Annual Average family Income has been increased from Rs.79,106/-to Rs.1,50,206/- after availing loan and having an increase in Annual Average family Income of Rs.71,100/- (89.88).

Figure 4.1: Increase in average annual family income of beneficiaries of PBCLDFC (in percentage)



Source: Researcher's collected data

4.4 Effect of Loan on Standard of Living

The study observed that the schemes successfully uplifted the living standards of the beneficiaries as is evident by the increase of average monthly expenditure incurred by the beneficiaries before and after availing the benefits of the loan scheme. The beneficiaries of the Ropar district reported a maximum increment from INR 4514 to INR 11447. The same was followed by Mohali, Moga, Sangrur, Fatehgarh Sahib, Sri Muktsar Sahib respectively. A rise of 29.9% was recorded in district Bhatinda followed by Kapurthala (33.1%), Nawanshahar (34.2%), Jalandhar (36.8%) and Patiala (38.8%). The rise in the average monthly expenditure in other districts was found to be around 65%.

It is important to note that the percentage rise in expenditure is less than the percentage increase in family income of the beneficiaries which signifies an improvement in the standard of living of the different beneficiaries of the scheme across all the districts studied.

4.5 Popularity of Women Centric Schemes among Beneficiaries

The women-centric schemes have not been found popular among the beneficiaries of PBCLDFC. It was noted that all the respondents availed of the General Term Loan scheme. New Swarnima Scheme and Mahila Samridhi Yojna were not availed by any of the beneficiaries of PBCLDFC in the entire state.

4.6 Awareness Level about other Loan Schemes

In most of the districts, respondents were not availing of loans except that from NBCFDC. When respondents

were enquired about their awareness level regarding other schemes of NBCFDC, it was observed that around 63% of the beneficiaries of Punjab Backward Classes Land Development and Finance Corporation (PBCLDFC) were aware of other schemes of NBCFDC whereas around 37% of the beneficiaries were not aware of other schemes. Analysis of different districts revealed that the level of awareness about other schemes of NBCFDC is very poor in four districts viz., Bhatinda, Jalandhar, Kapurthala and Moga. The awareness level is very encouraging in six districts namely Faridkot, Fazilka, Mansa, Nawanshahar, Sangrur and Sri Muktsar Sahib. The awareness level in Patiala and Ludhiana is also not very satisfactory.

4.7 Nature of Sector for which Assistance is Availed

233 beneficiaries of Punjab Backward Classes Land Development and Finance Corporation (PBCLDFC) i.e. around 51% of respondents have taken loans for agricultural and allied purposes. A meagre share of the population (one each) invested in other sectors i.e. transport/service/education.

4.8 Utilization of Loan for Intended Purpose

The responses revealed that all beneficiaries ie. 100% of the beneficiaries used the sanctioned amount for the agreed purpose only. Most of the beneficiaries opted for a loan for running small shops like Kirana, electric, cycle, car washing, tailor, printing, sweets shop, etc. Some of the beneficiaries established their boutique and tailoring business also.

4.9 Amount Sanctioned

The analysis of actual loan sanctioned by the Punjab Backward Classes Land Development and Finance Corporation (PBCLDFC) shows that around 38% of the sanctioned loan pertains to the category of 1.5-2 lakh followed by around 36% small loans below the value of one lakh.

4.10 Status of Loan Repayment

The analysis of the repayment schedule revealed that most of the beneficiaries used to repay the loan installments regularly. But the number of defaulters / irregular beneficiaries is more in the case of Punjab Gramin Bank as compared to Punjab Backward Classes Land Development & Finance Corporation. The analysis of the repayment schedule revealed the mismatch of agreed and actual repayment schedule in the Mohali district whereby three beneficiaries of PBCLDFC reported to be irregular and three more were observed to be defaulters.

4.11 Reason for Irregularity/ Defaulter

Failure of the business has been identified as the major cause of the irregularity in the payment. Further asset loss has also been identified as the responsible factor for non-regular repayment of the loan in few cases.

4.12 Analysis of Perception of Beneficiaries

Difficulties in getting Loan

The study team on interaction with the beneficiaries of PBCLDFC found that most of the respondents have not experienced many difficulties in getting the loan. Some of the respondents even mentioned that the process of sanctioning loans took 3-4 months.

Sufficiency of Loan Amount

The loan amount sanctioned by the SCA under the term loan scheme of NBCFDC was found sufficient by most of the beneficiaries.

Satisfaction with the services extended by SCA

Punjab Backward Classes Land Development and Finance Corporation (PBCLDFC) has been successful in achieving a high satisfaction level of beneficiaries on four services extended by them viz., loan scheme, assistance/ guidance by SCA, interest rates and employees' behavior. The highly dissatisfactory variable for

the beneficiaries has been identified as the time taken for the approval of the loan. This calls for immediate intervention on the part of SCA authorities. The next was the loan sanctioning system wherein 4% of respondents expressed their high dissatisfaction level. None of the respondents has shown any dissatisfaction with the assistance/ guidance by State Channelizing Agency.

Impact of Schemes upon Beneficiaries

An attempt was made to trace the kind of impact made by some selected variables like participation in social service activities, better schooling of the children, social recognition in the society, participation in organized activities, better access to the health facilities, food consumption pattern, clothing status, better access of financial resources, asset creation, savings rate, the standard of living and minimized family indebtedness. The beneficiaries have been asked to mark 1- if they have experienced notable increment, 2- moderate increment, 3- unchanged, 4- moderate decrease and 5- if they think that there is a notable decrease in the variable after availing the loan scheme.

On average the respondents seem to be satisfied with the services provided by the SCA and reported a notable increment in different variables studied through a questionnaire. The least satisfaction level was observed in the variable of clothing status followed by asset creation, better schooling and better access to financial resources. Further, the average scores of these variables are more than two which portray the scope of improvement. NBCFDC may think of enhancing the credit limit so that the basic needs of the needy section can be properly addressed.

It can be concluded that NBCFDC plays a significant role in the socio-economic development of Backward Classes. The present study can form a base for future evaluation studies of NBCFDC schemes which can probe, examine and analyse the differences across districts in terms of various operational aspects and thereby make suitable recommendations for expanding the scope and outreach of NBCFDC. Such an endeavour could give a better macro and micro understanding of the schemes and the way they can contribute better towards the socio-economic change in the state of Punjab.

CHAPTER V

RECOMMENDATIONS / SUGGESTIONS

The study shows that NBCFDC schemes had a positive socio-economic impact on the lives of the respondents. The beneficiaries after availing of the loans are meaningfully employed and their involvement in social activities got enhanced. The social status of most of the respondents improved and they experienced social recognition and felt economically and socially empowered. The positive changes in economic status resulted in better access to financial resources, decreased family indebtedness and improved lifestyles. However, as the loans were not availed for all schemes of NBCFDC (except the General Term Loan), the potential benefits of the same could not be maximised. In this context, it is necessary to revisit the scope and reach of NBCFDC schemes. The study proposes suggestions to SCA and NBCFDC based on the data analysis and feedback of beneficiaries.

5.1 Actionable Points at SCA/PBCLDFC Level

- The study noted that the majority (around 91%) of the beneficiaries of Punjab Backward Classes Land Development and Finance Corporation (PBCLDFC) availing the benefits of term loan schemes were males (Figure. 3.1). A similar trend is observed in other districts, PBCLDFC should take initiative to make more women aware of various schemes of NBCFDC. Sincere efforts are required for creating awareness in Fazilka, Jalandhar, Moga and Sangrur districts.
- The schemes of NBCFDC can be better availed to establish own ventures like carpentry, tailoring shop, artisan work, small daily need Kirana shops which have greater scope for improvement and progress in urban regions. But the findings reveal that the majority of beneficiaries are from a rural region. In some districts like Hoshiarpur, Mohali, Pathankot and TaranTaran all the beneficiaries reside in rural areas. Therefore, SCAs must make sincere efforts to popularise and extend the schemes in the urban region too.
- Most of the respondents have a linkage of mobile and Aadhar number but SCAs must ensure complete adherence to the norms.
- SCAs should conduct special advertisement campaigns to promote the schemes of NBCFDC as some respondents expressed dissatisfaction regarding the information furnished by SCA officials.
- SCA should have regular programmes to create awareness about different financing schemes, particularly for the unemployed youth. SCAs may work with employment agencies for advertising the schemes of NBCFDC and can place hoardings at employment agencies.
- SCA may consider an online portal for filing of loan forms and disbursement of loans to avoid cumbersome procedures. Further, a detailed mechanism should be devised by SCAs to speed up the processing and disbursement of the loans by a specific time-line i.e., a period of a maximum of three months.
- The study found that the women-centric schemes are not popular among the beneficiaries of PBCLDFC. It was noted that all the respondents availed of the General Term Loan scheme. New Swarnima Scheme and Mahila Samriddhi Yojna are not availed by any of the beneficiaries of PBCLDFC in the entire state. The agency must adequately encourage women-centric schemes in the region. New Swarnima Scheme and Mahila Samriddhi Yojna should be promoted in all the districts as it will have a direct bearing on women empowerment.
- The study observed that around 63% of the beneficiaries of Punjab Backward Class Land Development and Finance Corporation (PBCLDFC) were aware and around 37% of the beneficiaries were not aware of other schemes of NBCFDC (Fig. 3.17). Analysis of different districts revealed that the level of awareness about other schemes of NBCFDC is very poor in four districts viz., Bhatinda, Jalandhar,

Kapurthala and Moga. Hence, efforts should be made to create awareness about the schemes of NBCFDC.

- The analysis of the repayment schedule revealed that most of the beneficiaries repaid the loan amount regularly. A mismatch of agreed and actual payment schedule was observed in Mohali district wherein three beneficiaries of PBCLDFC reported to be irregular and three more were observed, defaulters. This calls for action by the SCA to avoid financial loss.

5.2 Actionable Points at NBCFDC Level

- The results of the study call for the launching of different women-centric schemes by NBCFDC. A proper gap analysis must be done regarding the expectation of women in the region and the actual delivery intended by these schemes. The new schemes should be designed keeping in mind the current market trends and should be reviewed periodically.
- The assistance should be provided for forward linkages. For example, a person who avails loan for carpentry should also be provided necessary training and financial assistance on package, brand and sale of the produce at competitive rates in the market.
- Given the growing population of the backward classes in all the districts, it is advisable to increase the financial assistance. Further, based on the budget of the project proposal, or business plan, the General Term Loan (GTL) amount should be increased depending upon the market value of the document of immovable property submitted by the beneficiary.
- The beneficiaries thought that the rate of interest of the loan amount should be reduced to bring down the list of defaulters. Most of the people who availed loans are from a poor background and hence find it difficult to repay the loan. It is pertinent to mention that economy of Punjab heavily relies on agriculture with inconsistent income throughout the year, making it nearly impossible or difficult to repay their monthly loan installments.
- The majority of the loan was taken for Agriculture/allied sector and not much employment has been generated through the scheme. Out of 459 beneficiaries of PBCLDFC, around 14% of beneficiaries contributed to employment generation. To uplift the economy, NBCFDC should give special preference to those ventures which generate further employment.
- NBCFDC should promote skill development training, especially for SHG members. It is observed that business failure is one of the prominent reasons for irregularity in the repayment of the loan. Therefore, possible help should be provided for training and nurturing local skills, particularly in women-centric business activities. Further, the skills of SHG members of all the villages by and large remain untapped. The attempt should be made to utilise their skills in a proper way for their economic development.
- The beneficiaries were looking forward to Insurance for their group members, business and livestock.
- NBCFDC needs to improve awareness level regarding other schemes through placing big hoardings of their schemes in the premises of SCAs. Further, an advertising pamphlet may be given to all beneficiaries at the time of sanctioning the loan so that they can be acquainted with the other schemes.
- The analysis of the repayment schedule revealed the mismatch of the agreed and actual payment schedule. NBCFDC should scrutinize the schedule at periodic intervals to curb the possibility of non-performing assets.
- NBCFDC should make attempt to simplify the procedures. This training should be imparted to the official staff of SCAs to overcome the practical difficulties of clients.
- The beneficiaries feel that the process involved in sanctioning the loan is very time-consuming. Some of the respondents even mentioned that they got the sanction after around 3-4 months. NBCFDC should ensure standardized speedy timeline. The loans must be sanctioned within two months from the date of applying and disbursed within one month from the date of sanctioning so that the beneficiaries may

start their activities in time. Further, the application and their enclosures should be simple which will ease the loan process.

- Since a significant number of beneficiaries in the study were from rural areas it was suggested that the household income limit should be revised so that maximum people can avail of the loan boosting up self-employment avenues.
- The widows and physically challenged members desired special considerations like a low rate of interest and subsidy for the loan amount.
- Education is a catalyst for social transformation and social change. It is noted that there were no takers for education loans barring few exceptions. There is a need to create awareness to avail the education loan and develop related skills among the beneficiaries to increase the scope of employability in different sectors.
- The study finds that the loan amount taken by the population under the scope of the study is not adequate to bring out a marked improvement in the lifestyles of beneficiaries. NBCFDC may reconsider the loan amount extended to the schemes under the present study to experience perceptible change by the beneficiaries in their lives.
- SCAs constitute an effective link between NBCFDC and its beneficiaries. NBCFDC should arrange for the interaction of the beneficiaries with SCAs at periodic intervals, as this could strengthen the rapport between the two which is important for successful execution and realisation of the objectives of the schemes of NBCFDC.
- NBCFDC should document the success stories of beneficiaries for wider dissemination to carry forward its vision and mission in a meaningful way. The success stories can serve as an inspiration and motivation for those who want to avail the loan.
- NBCFDC can institute awards for best performing units across sectors based on certain criteria to expand the outreach of the schemes.

CHAPTER VI

SUCCESS STORIES

This chapter presents a glimpse of activities started by some beneficiaries. All the respondents under the study availed only General Term Loan. Though most of them utilised the loan for agriculture and allied activities, some invested in the fabrication unit, welding unit, flour mill, tailoring, Kirana stores, etc. It has been attempted to depict the pictures of diverse activities though the majority of the respondents utilised loans for agriculture/allied activities. The brief description of the loan is as follows:

Table 6.1: Brief Details about the PBCLDFC Beneficiaries

Sl. No	Name	Loan obtaining Year	Amount sanctioned	Name of Project along with the description	Annual Income before the loan	Annual Income after the loan
1.	Davinder Singh, Sangrur	2016	2,50,000	Started fabrication unit. He purchased many tools and machines for the unit. Now he earns 15,000/-per month which has improved his economic condition.	72,000	1,80,000
2.	Joginder Singh, Bathinda	2017	1,00,000	Started own carpentry business. It is reported that his food pattern and standard of living have become better	72,000	1,20,000
3.	Ravinder Singh, Jalandhar	2017	2,37,500	Dairy farming	98,000	1,50,000
4.	Gurudarshan Singh, Mansa	2015	2,00,000	Welding Unit	81,000	1,50,000
5.	Pawan Kumar Hoshiarpur	2014	1,80,500	Stationery shop	81,000	1,80,000
6.	Gagandeep Singh, Muktasir	2014	2,00,000	Flour Mill	76,000	1,65,000

Glimpses of activities of Beneficiaries of PBCLDFC (Bankfinco) after availing the loan



Devinder Singh Sangrur, Fabrication Unit



Joginder Singh, Bathinda, Carpentry Business



Ravinder Singh, Jalandhar, Dairy Farming



Gurudarshan Singh, Mansa, Welding Unit



Pawan Kumar, Hoshiarpur, Stationery Shop



Gagandeep Singh, Muktsar, Flour Mill

Annexure

DR. AMBEDKAR CHAIR IN SOCIAL JUSTICE INDIAN INSTITUTE OF PUBLIC ADMINISTRATION

This Questionnaire has been requested to be filled by beneficiaries of NBCFDC for a Research Project. All the information will be used only for research purposes and will be kept confidential.

I. SOCIO-ECONOMIC INFORMATION

1. Name of the Beneficiary : _____
 2. District : _____
 3. Block : _____
 4. Gender : Male Female Others
 5. Age (in years) : _____
 6. Educational Status (Illiterate / Ability to Sign/ Upto 5th Passed / Upto 8th Passed/ Upto 10th Passed/ Upto 12th Passed / Diploma/ Graduate / Post Graduate/ Others):

 7. Place : Rural Urban
 8. Type of Residence : Own House Rental House
 9. Address with Mobile No : _____

 10. Marital status : Married / Unmarried / widow / Divorced / Separated
 11. Occupation: _____
- | S. No. | Particulars | Before Loan | After Loan |
|--------|---|-------------|------------|
| (i) | Unemployed | | |
| (ii) | Labourer/Maid | | |
| (iii) | Assisting Family Business/Farming | | |
| (iv) | Small Business (Self-employed) | | |
| (v) | Agri or Allied Business (Self-employed) | | |
12. Nature of the family: Joint Nuclear
 13. Size of the family: Upto 3 members 4-5 members Others

Q. No.	Particulars	Before Loan	After Loan
14.	Annual Family Income		
15	Monthly Expenditure of your Household		
16	Size of the Household Savings		
17 (A)	Any other loan (except loan from Punjab Backward Classes Land Development and Finance Corporation(PBCLDFC) (Please mark YES / NO)		
17 (B)	If yes in point 17 (A), (Please specify)		

18. Nature of House Occupied: Hut Concrete Roof Sheet Roof

19. (A) Do you have an Aadhar Card? : Yes No

(B) Does your Aadhar number and mobile number is linked with your loan account: Yes/ No _____

20. What type of assets did you purchase after getting loan?: _____

21. How much value of the investment you have before and after the loan?

S. No.	Name of the investment	Purchased before Loan in Rs.	Purchased after Loan in Rs.
1.	Post Office		
2.	Bank		
3	Chit Funds -		
4.	Silver		
5.	Gold		
6.	Others		

22. What type of Bank account do you have?

Jan Dhan Yojana Saving Bank Account Others

II. SCHEME RELATED INFORMATION

S. No.	Particulars	Response
1.	Name of the scheme in which Loan is availed (General Term Loan/ New Swarnima Scheme / Mahila Samridhi Yojna)	
2.	Please specify the nature of the “sector” for which assistance is availed. (Agriculture and allied / Small business/ Transport Sector/ Service sector / Education)	
3.	How did you come to know about the NBCFDC current scheme? (Advertisement /Family / Friends/Relatives/ From SCA officials/ Website / Other Beneficiary / if Others: Please Specify)	
4.	Are you aware of other schemes of the NBCFDC? Yes/ No (If yes, please name the scheme)	
5.	Are you aware of the maximum amount of loan sanctioned along with its interest rate to be paid under the NBCFDC scheme? (Yes / No)	
6.	Did you face any difficulties in getting a Loan (yes/no)	
7.	If yes the previous question, please specify	

8. Please tell us about the particulars of the Loan received

- a) Date in which application was madeDD/MM/YYYY
- b) Amount applied.....
- c) Loan sanction date..... DD/MM/YYYY
- d) Amount sanctioned.....
- e) Loan disbursed date.....
- f) Amount disbursed.....
- g) Purpose of loan (Give Name of the Sanctioned Activity).....
- h) Have you utilized the loan for the intended purpose (Yes / No):

If No, where utilized:

Whether in other economic activity: Yes No

Whether for personal consumption: Yes No

- i) What is the rate of interest for your loan: _____
- j) Status of loan repayment (Regular / Irregular / Defaulter): _____
- k) If Irregular or Defaulter (please specify the reason (Failure of Business / Diversion of Savings/ Loss of Asset/ Lack of Training / Others : _____

l) What is the Surety given for getting a loan:

- | | | |
|-----------------------------|------------------------------|-----------------------------|
| Collateral Security | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Mortgage of Landed Property | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Govt. employees surety | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Others, if any. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

m) Have you given employment to others?" (Yes / No) _____

If Yes, to how many persons (please specify the numbers): _____

n) Sufficiency of loan amount(Yes / No) _____

If No, expected loan amount _____

10. Feedback from beneficiaries about the Scheme in general: _____

11. Impact of Education Loan (Note: outcomes will be analyzed in the Report)

- (i) Name of Course, for which Education Loan availed
- (ii) Year of completion of Course
- (iii) Year of getting the job
- (iv) Year of starting self-employment
- (v) Present earnings (P.A)

12. Feedback from the Beneficiary.

- (i) BEST PRACTICES OF SCA (if any) : _____
- (ii) WEAKNESS OF SCA (if any): _____
- (iii) SUGGESTIONS/ RECOMMENDATIONS(if any): _____

13. Feedback from the Field Officer.

- (i) BEST PRACTICES OF SCA: _____
- (ii) WEAKNESS OF SCA: _____
- (iii) SUGGESTIONS/RECOMMENDATIONS: _____

SATISFACTION LEVEL OF SCA'S & SOCIO-ECONOMIC IMPACT

Listed below are statements of various aspects regarding the State Channelizing Agent (SCA) of NBCFDC. Please indicate the extent to which you are satisfied with each statement by ticking (✓) a number that reflects your rating using a scale where **1 = highly satisfied, 2= satisfied, 3 =neither satisfied nor dissatisfied, 4= dissatisfied, 5= highly dissatisfied.**

S. No.	Statement	1	2	3	4	5
1.	Loan scheme					
2.	Assistance and guidance provided by SCA					
3.	Interest Rates					
4.	Loan sanctioning system					
5.	Disbursement system					
6.	Behavior of the employees during the lending process					
7.	Size of monthly installments					
8.	Repayment period					
9.	Time Taken for loan approval					
10.	Easy Query Handling					
11.	Overall services					

Impact of NBCFDC schemes on the lives of beneficiaries:

Please rate by ticking (✓) a number Please note: where **1=Notable Increase, 2= Moderate Increase, 3=Unchanged, 4= Moderate Decrease, 5= Notable Decrease.**

S. No.	Statement	1	2	3	4	5
1.	Activity started with the help of loan assistance					
2.	Participation in Social Service activities					
3.	Better schooling of the Children					
4.	Social recognition in the Society					
5.	Participation in organized activities					
6.	Better access to the health facilities					
	Economic Impact					
7.	Food consumption pattern					
8.	Clothing status					
9.	Better access to financial resources					
10.	Asset creation					
11.	Savings rate					
12.	Standard of living					
13.	Minimized family indebtedness					

**NOTE: SUCCESS STORIES WITH PHOTOGRAPH OF BENEFICIARY: KINDLY GIVE TWO
PHOTOGRAPH FROM THE DISTRICT**



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