



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

**With Reference to
Punjab Gramin Bank (PGB)**



Conducted by

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

Sponsored by



सत्यमेव जयते

**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' is with reference to SCA viz Punjab Gramin Bank (PGB). 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. 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. Hence, the study revisited the scope and reach of NBCFDC schemes w.r.t PGB. 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 Samriddhi 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-Aid Scheme
SCA	State Channelizing Agency
SHG	Self-Help Groups
SC	Scheduled Caste
BC	Backward Classes

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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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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 process of empowerment of Backward Classes in the state of Punjab.*

The study titled ‘Evaluation of Schemes of NBCFDC Implemented in the State of Punjab’ is presented in two reports: one for Punjab Backward Classes Land Development and Finance Corporation and another for Punjab Gramin Bank. The present report analyses the data of Punjab Gramin Bank. 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 success stories and details of some ventures started by beneficiaries of the schemes of NBCFDC 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 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

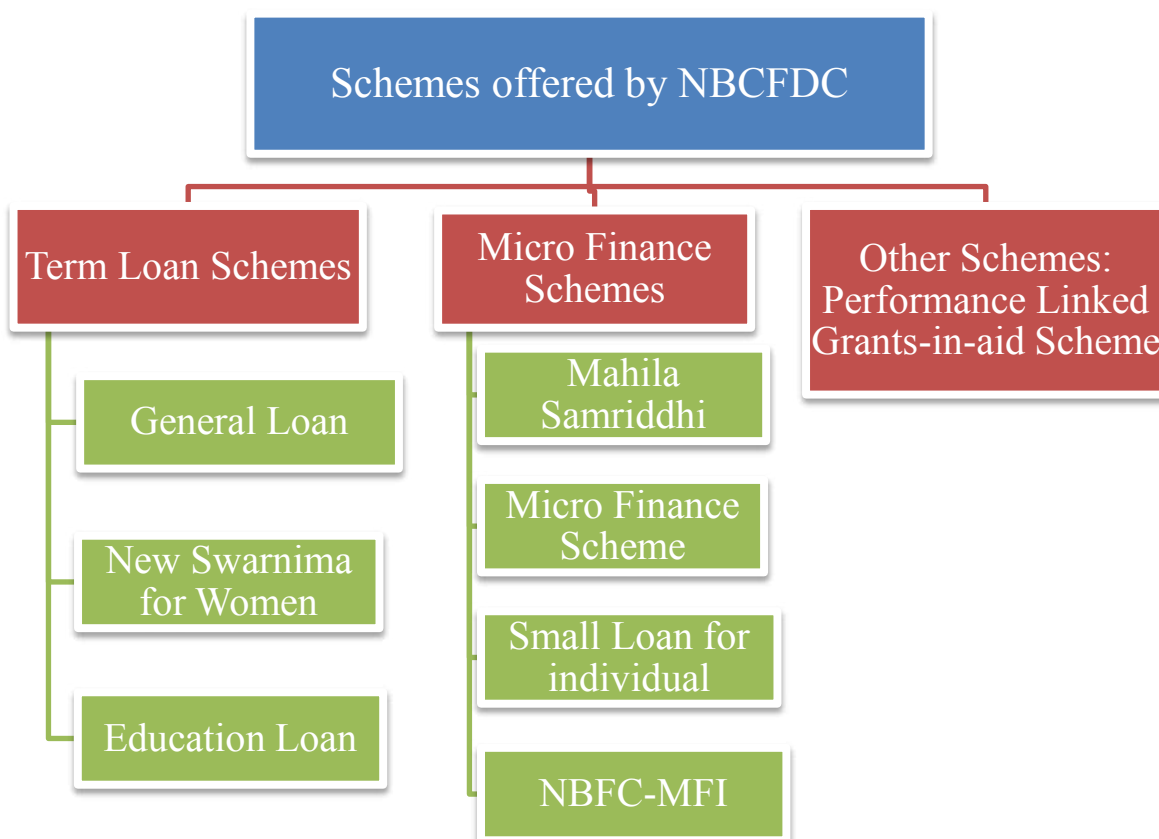
The Corporation can assist a wide range of income-generating activities under the following broad sectors:

- 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 Samridhi 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 Other Backward Classes through micro-finance schemes of NBCFDC. The present report presents the impact assessment of these schemes implemented by Punjab Gramin Bank. The Punjab Gramin Bank (PGB) is sponsored by Punjab National Bank and came into existence after the amalgamation of three erstwhile RRBs i.e. Punjab Gramin Bank, Malwa Gramin Bank and Sutlej Gramin Bank. The bank targets rural development and the betterment of living standards of rural people through provisioning various types of deposits and loan schemes.

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 micro-finance enables weaker sections to establish their ventures and decently earn their livelihood.

NBCFDC has launched many schemes for financial empowerment of Other Backward Classes 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. 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 impact 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 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. PGB.
- 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 wherein the satisfaction level of the beneficiaries from different facilities provided by the SCAs is ranked on a Likert scale from 1-5. The detailed research methodology is as follows:

Data

Nature of Data: Primary data

Data Collection: The data has been collected through questionnaires.

Study Period: The study aimed at analysing the loan pattern for four Years from 2014-18. However, Punjab Gramin Bank signed MoU with NBCFDC only on 08 June, 2016. The MoU was signed for financing Backward Classes' beneficiaries under the various schemes of NBCFDC, covering 13 districts of Punjab. Thus, the study considered data only for two years i.e. 2016-17 and 2017-18.

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. The state of Punjab is divided into twenty-two districts but PGB extends loans only in 13 districts: Amritsar, Fazilka, Firozpur, Gurdaspur, Hoshiarpur, Jalandhar, Kapurthala, Moga, Mohali (SAS Nagar), Pathankot, Nawanshahr (Shahid Bhagat Singh Nagar), Ropar (Rupnagar) and Tarn Taran. Therefore, the population of the present study comprises of beneficiaries residing in these 13 districts only.

Sampling

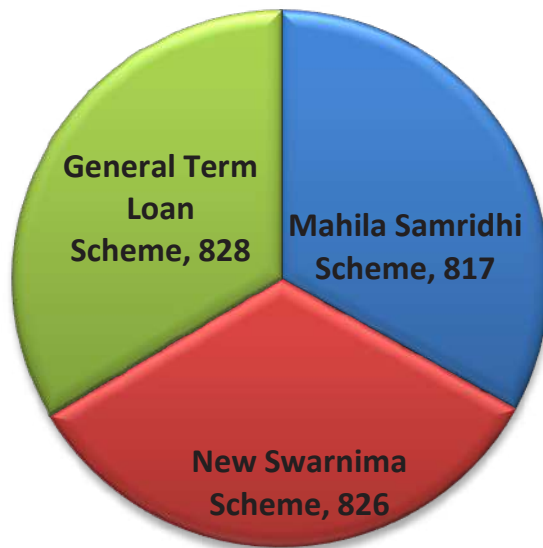
Sampling Technique: The study used a multi-stage random sampling method. Under this method, sampling is done from different strata. Punjab Gramin Bank offers loans under three schemes {[General Term Loan] (GTL), [New Swarnima Scheme] (NSS) and [Mahila Samriddhi Yojana] (MSY)}. Therefore, strata have been formed based on loan schemes.

Sample Size: The target population of the study includes all the beneficiaries availing benefits of the loan (under various schemes of NBCFDC) through the State Channelizing Agency: Punjab Gramin Bank (PGB). In PGB the loan was sanctioned in 13 districts with a total of 2471 beneficiaries. However, the numbers of valid beneficiaries covered in the study are 407.

The scheme-wise and the district-wise breakup of the population in PGB schemes are shown in Figures 2.1 and 2.2:

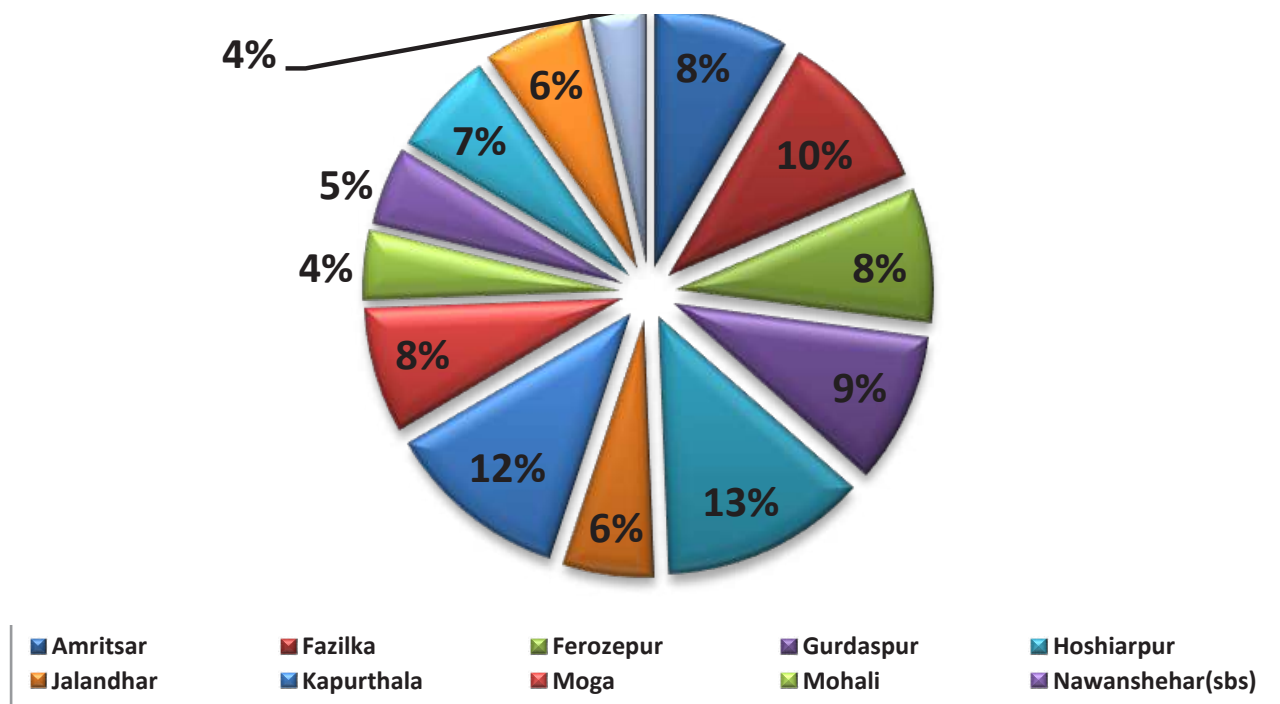
Since the total population of beneficiaries of PGB was 2471, the study took into account around 17.2% of the same to get the target sample size of 425. After escalation and rounding off, the research team collected responses from 520 beneficiaries. But, out of the 113 were found invalid on account of missing information/errors. Thus, finally, 407 valid responses were obtained. The entire procedure followed in the study for PGB is depicted in Figure 2.3.

Figure 2.1: Total beneficiaries of PGB (scheme-wise)

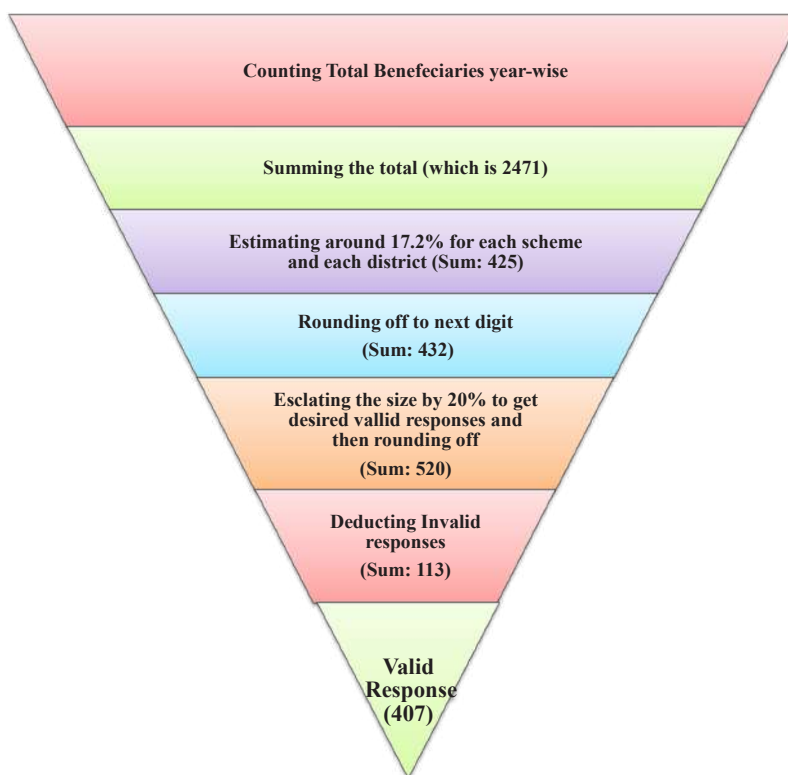


Source: Researcher's Compilation

Figure 2.2: Percentage distribution of beneficiaries of PGB (district-wise: 13 districts)



Source: Researcher's Compilation

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

Source: Researcher's Compilation

The distribution of the sample across different districts has been briefly represented in Table 2.1.

Table: 2.1 Sample distribution across different schemes and districts

S. No.	District	Mahila Samridhi	New Swarnima Scheme	General Term Loan	Total Beneficiaries	Mahila Samridhi	New Swarnima Scheme	General Term Loan	Total Sample	Total after rounding off to next digit	Total + 20%	Total + 20% rounded off	Invalid responses	Actual Sample
1.	Amritsar	85	68	56	209	14.62	11.70	9.63	35.95	36	43.20	43	7	36
2.	Fazilka	67	78	106	251	11.52	13.42	18.23	43.17	44	52.80	53	11	42
3.	Ferozepur	68	64	77	209	11.70	11.01	13.24	35.95	36	43.20	43	8	35
4.	Gurdaspur	83	70	81	234	14.28	12.04	13.93	40.25	41	49.20	49	8	41
5.	Hoshiarpur	99	113	105	317	17.03	19.44	18.06	54.52	55	66.00	66	15	51
6.	Jalandhar	59	47	35	141	10.15	8.08	6.02	24.25	25	30.00	30	8	22
7.	Kapurthala	76	129	80	285	13.07	22.19	13.76	49.02	50	60.00	60	12	48
8.	Moga	49	40	104	193	8.43	6.88	17.89	33.20	34	40.80	41	5	36
9.	Mohali	32	41	32	105	5.50	7.05	5.50	18.06	19	22.80	23	7	16
10.	Nawanshehar	72	16	33	121	12.38	2.75	5.68	20.81	21	25.20	26	16	10
11.	Pathankot	32	71	60	163	5.50	12.21	10.32	28.04	29	34.80	35	0	35
12.	Ropar	53	62	41	156	9.12	10.66	7.05	26.83	27	32.40	33	8	25
13.	Tarntaran	42	27	18	87	7.22	4.64	3.10	14.96	15	18.00	18	8	10
14.	Total	817	826	828	2471	140.52	142.07	142.41	425.00	432.00	518.40	520	113	407

Source: Researcher's Compilation

Data Analysis

A structured questionnaire was administered for beneficiaries. The data collected from different beneficiaries were 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. The information regarding the satisfaction level of the respondents, their rating upon satisfaction level from different services/facilities extended by the Punjab Gramin Bank is recorded. Different parameters of ranking included 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. Punjab Gramin Bank (PGB) is a prominent SCAs in the state of Punjab. The research team collected the data from the beneficiaries through a questionnaire. The questionnaire comprises of different sets of questions which can be categorised as follows:

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.

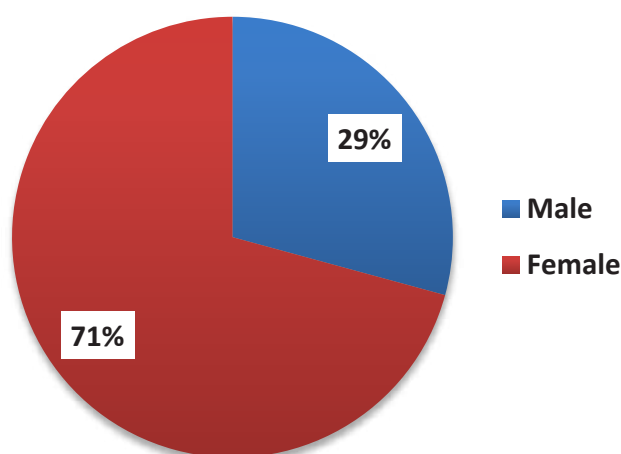
The responses of various beneficiaries recorded in the excel sheet have been analysed using MS-Excel and SPSS software. The present chapter deals with the data collected and analysed for PGB only.

Socio-Economic Status of the Beneficiaries

Gender

It was noticed that the majority (around 71%) of the beneficiaries availing the benefits of term loan scheme are women. The women beneficiaries were in majority across different districts (except for Pathankot). In Pathankot 51.43% of beneficiaries are men. The finding calls for the action on the part of channelizing agencies to increase awareness among women in Pathankot to access benefits from various schemes of NBCFDC. The results acknowledge widespread women-centric schemes implemented by Punjab Gramin Bank. Figure 3.1 depicts the gender-wise distribution of the beneficiaries.

Figure 3.1: Percentage distribution of beneficiaries gender-wise



Source: Researcher's collected data

The district-wise analysis (Table 3.1) reveals that in Hoshiarpur women-centric schemes are highly popular followed by Mohali, Fazilka and Ropar. It is only in Pathankot the number of men beneficiaries is more than the number of women beneficiaries.

Table 3.1: Gender wise distribution of beneficiaries across different districts (in %)

District	Male (%)	Female (%)
Amritsar	41.67	58.33
Fazilka	23.81	76.19
Ferozepur	40.00	60.00
Gurdaspur	31.71	68.29
Hoshiarpur	9.80	90.20
Jalandhar	22.73	77.27
Kapurthala	31.25	68.75
Moga	25.00	75.00
Mohali	18.75	81.25
Pathankot	51.43	48.57
Ropar	24.00	76.00
SBS Nagar Nawanshahr	30.00	70.00
Tarn Taran	30.00	70.00

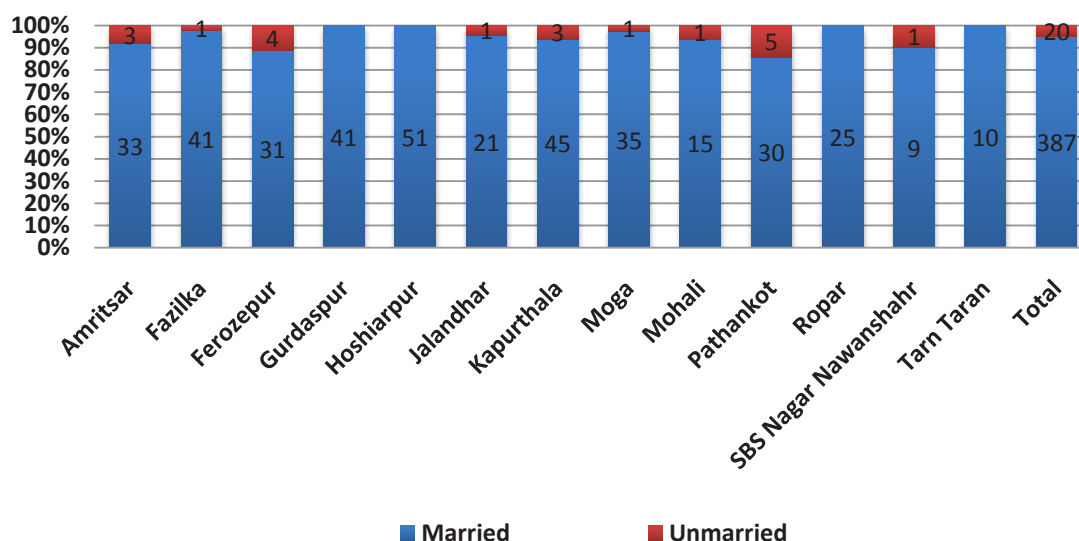
Source: Researcher's collected data

Age

The majority of the population belongs to the middle age group ranging from 35-40 years and also 45-50 age groups. The highest aged beneficiary belongs to Patiala followed by the Fazilka district. The lowest aged group person belongs to the Ropar district.

Marital Status

The majority of the population (387 respondents i.e. around 95%) was married. All respondents (100%) were married particularly in Gurdaspur, Hoshiarpur, Ropar and TarnTaran. The highest unmarried population was found to be in the Pathankot district where 5 respondents (14.29%) were unmarried. Thereafter in Ferozepur 31 respondents (88.57%) were married and 4 respondents (11.43%) were unmarried. The distribution of respondents based on marital status across different districts is shown in Figure 3.2.

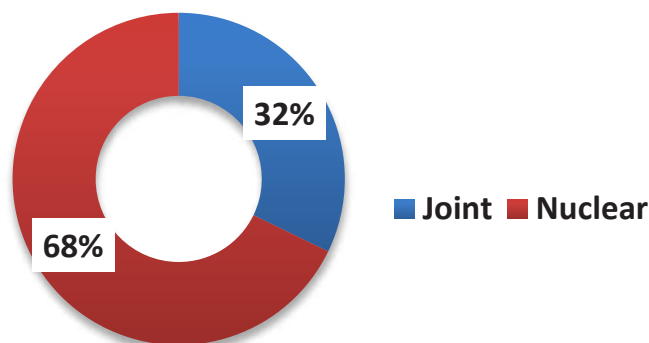
Figure 3.2: Distribution of beneficiaries across different districts as per marital status

Source: Researcher's collected data

Nature of Family

More than 68% of the beneficiaries have nuclear families (Figure 3.3 and Table 3.2).

Figure 3.3: Percentage distribution of Beneficiaries as per nature of family



Source: Researcher's collected data

Table 3.2: Distribution of beneficiaries across different districts as per the nature of family

District	Number of Beneficiaries		Percentage of Beneficiaries	
	Joint Family	Nuclear Family	Joint Family	Nuclear Family
Amritsar	14	22	38.9	61.1
Fazilka	7	35	16.7	83.3
Ferozepur	32	3	91.4	8.6
Gurdaspur	12	29	29.3	70.7
Hoshiarpur	3	48	5.9	94.1
Jalandhar	7	15	31.8	68.2
Kapurthala	8	40	16.7	83.3
Moga	6	30	16.7	83.3
Mohali	16	0	100.0	0.0
Pathankot	15	20	42.9	57.1
Ropar	2	23	8.0	92.0
SBS Nagar awanshahr	8	2	80.0	20.0
Tarn Taran	1	9	10.0	90.0
Grand Total	131	276	32.2	67.8

Source: Researcher's collected data

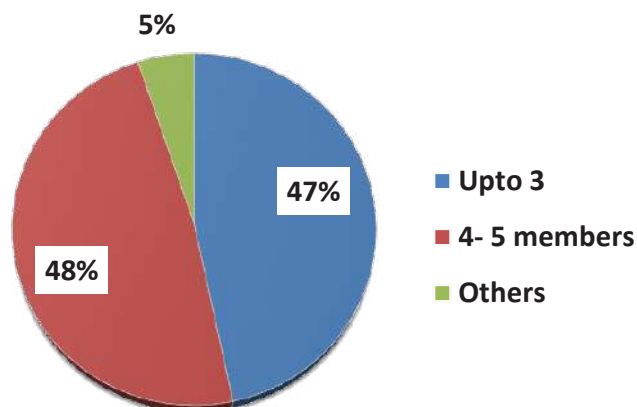
As depicted in the table, most of the beneficiaries belong to the nuclear family system. The percentage is 94.1%, 92% and 90% in Hoshiarpur, Ropar and Tarn Taran districts respectively.

Only in two districts, Nawanshahr (80%) and Ferozepur (91.4%) majority of the beneficiaries belong to joint families. In the rest of the districts, more than 50% of the respondents have a nuclear family system.

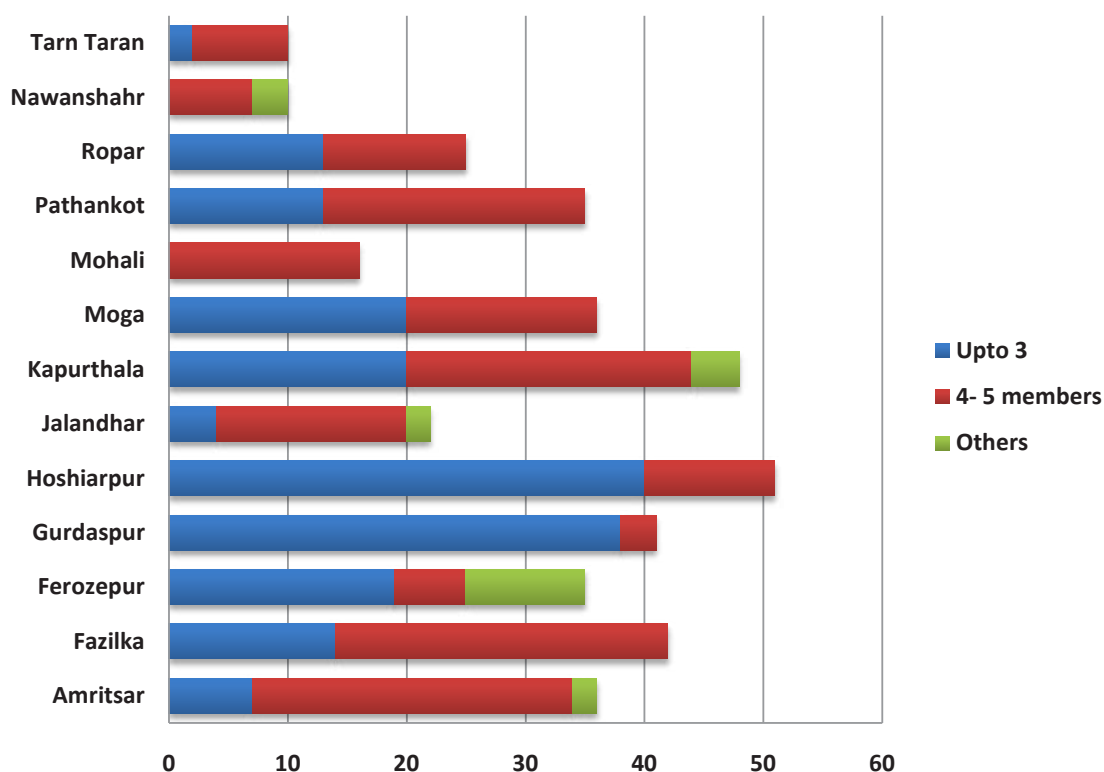
Size of Family

The beneficiaries of Punjab Gramin Bank have a comparatively smaller size of family (Figure 3.4).

48% of the population has 4-5 members in the family and 47% population has only up to three members in their family.

Figure 3.4: Percentage distribution of beneficiaries as per family size

Source: Researcher's collected data

Figure 3.5: Distribution of beneficiaries across different districts as per family size

Source: Researcher's collected data

As shown in the above Figure 3.5, the beneficiaries from Ferozepur and Kapurthala districts have large family size whereas beneficiaries from the Hoshiarpur district mostly have small size family.

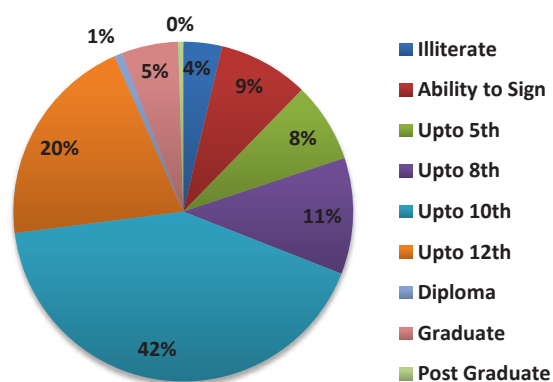
Education Level

Most of the beneficiaries were literate and the majority of them were high school (10th standard) passed. A fairly large number of beneficiaries was intermediate passed. It is interesting to note that 5.4% of the population had completed graduation. The following Table 3.3 and Figure 3.6 depict the educational level of respondents.

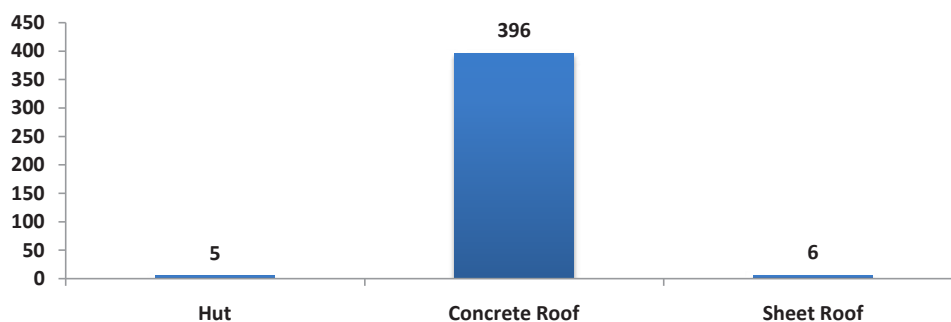
Table 3.3: Distribution of beneficiaries as per the educational level

Educational Status	Number of Respondents	Percentage of Respondents
Illiterate	15	3.7
Ability to Sign	35	8.6
Up to 5th	31	7.6
Up to 8th	45	11.1
Upto 10th	171	42.0
Upto 12th	83	20.4
Diploma	3	0.7
Graduate	22	5.4
Post Graduate	2	0.5
Total	407	100.0

Source: Researcher's collected data

Figure 3.6: Percentage distribution of beneficiaries as per the educational level

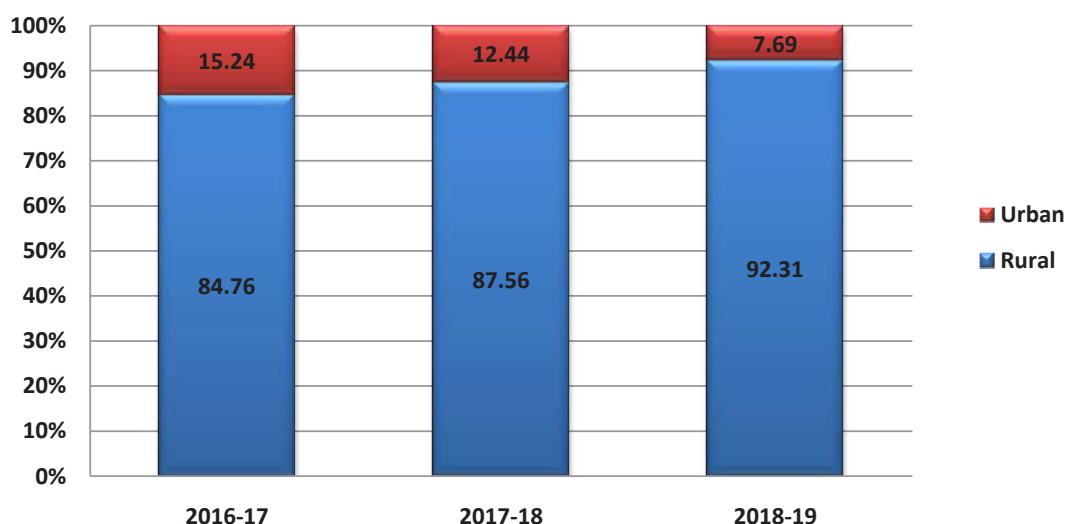
Source: Researcher's collected data

Figure 3.7: Number of beneficiaries as per the nature of the house

Source: Researcher's collected data

Nature of House Occupied

The respondents have been enquired about the types of houses in which they reside. They have been asked whether they live in huts or have concrete or sheet roofs over their houses. Around 97.3% of the beneficiaries have houses with concrete roofs and 1.5% of them have houses with sheet roofs (Figure 3.7).

Figure 3.8: Percentage distribution of beneficiaries region-wise (2016-2019)

Source: Researcher's collected data

Region: The geographical distributions of respondents revealed that the majority of beneficiaries are from a rural region. The following Figure 3.8 represents the share of beneficiaries region-wise across different years.

The year-wise analysis of the collected data reported that the average share of urban beneficiaries has increased from 25 in the year 2016-17 to 27 in the year 2017-18. But in the year 2018-19, most of the beneficiaries were observed to be residing in the rural sector.

It was also observed that in some districts like Hoshiarpur, Mohali, Pathankot and TaranTaran all the beneficiaries reside in rural areas. Table 3.4 gives the residential background of different beneficiaries across different districts.

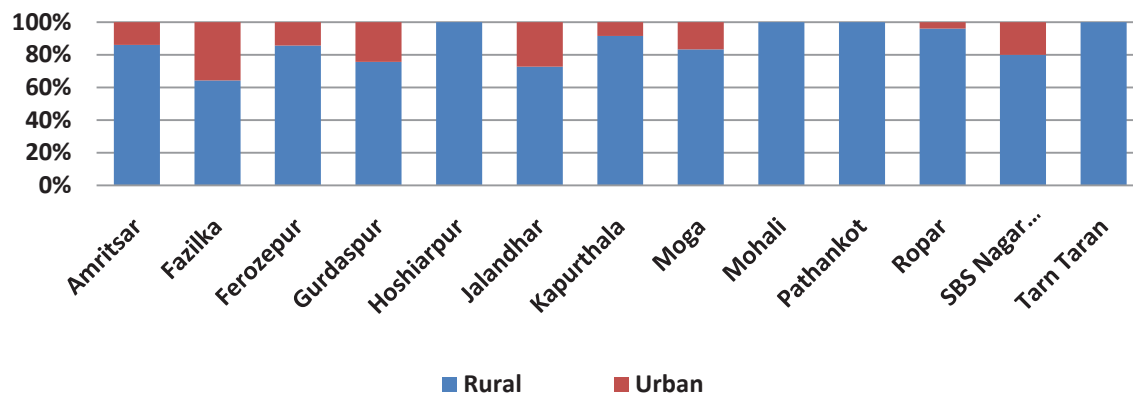
Table 3.4: Number of beneficiaries across different districts region-wise

District	Number of Rural Beneficiaries	Number of Urban Beneficiaries
Amritsar	31	5
Fazilka	27	15
Ferozepur	30	5
Gurdaspur	31	10
Hoshiarpur	51	0
Jalandhar	16	6
Kapurthala	44	4
Moga	30	6
Mohali	16	0
Pathankot	35	0
Ropar	24	1
Nawanshahr	8	2
Tarn Taran	10	0
Grand Total	353	54

Source: Researcher's collected data

As depicted in Figure 3.9, in Fazilka and Gurdaspur a reasonable number of beneficiaries reside in the urban region. Despite this, Punjab Gramin Bank is also successful in catering to the needs of a large chunk of the rural population.

Figure 3.9: Percentage distribution of beneficiaries across different districts region-wise



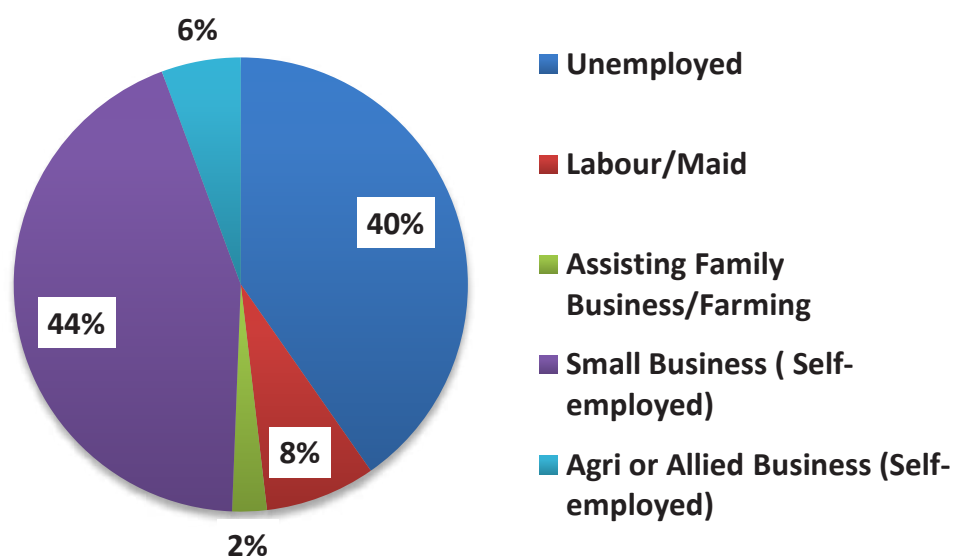
Source: Researcher's collected data

The results call for a need to motivate urban residents of Hoshiarpur, Mohali, Pathankot and TarnTaran to avail the scheme.

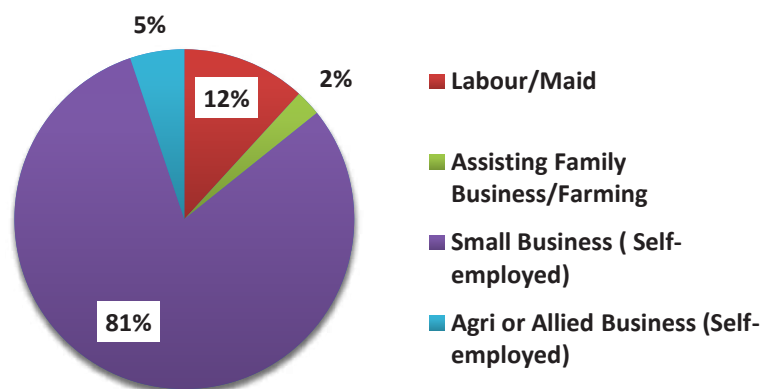
Occupational Changes

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 40.3% of respondents were 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 depict the occupational changes brought by the scheme.

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



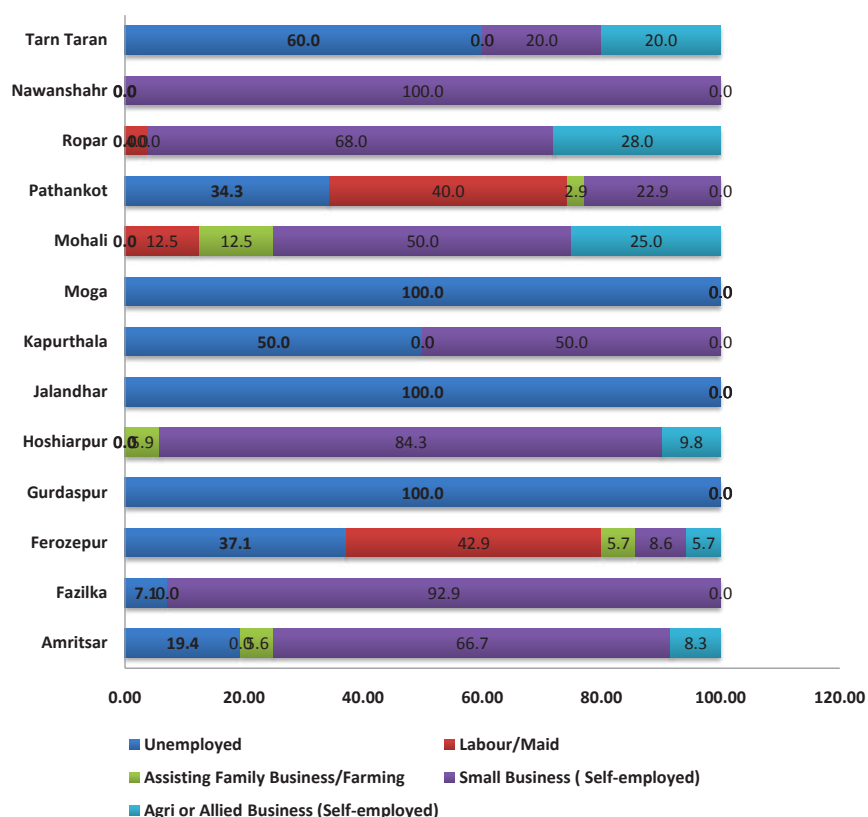
Source: Researcher's collected data

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

Source: Researcher's collected data

As depicted in the figures, the share of the population engaged in agriculture/allied business has shown a slight decline from 6% to 5%. Further before availing the benefits only 178 of the total beneficiaries i.e. around 44% of respondents were entrepreneurs and used to conduct their own small business whereas after availing the benefits 328 i.e. 81% of the beneficiaries started their businesses.

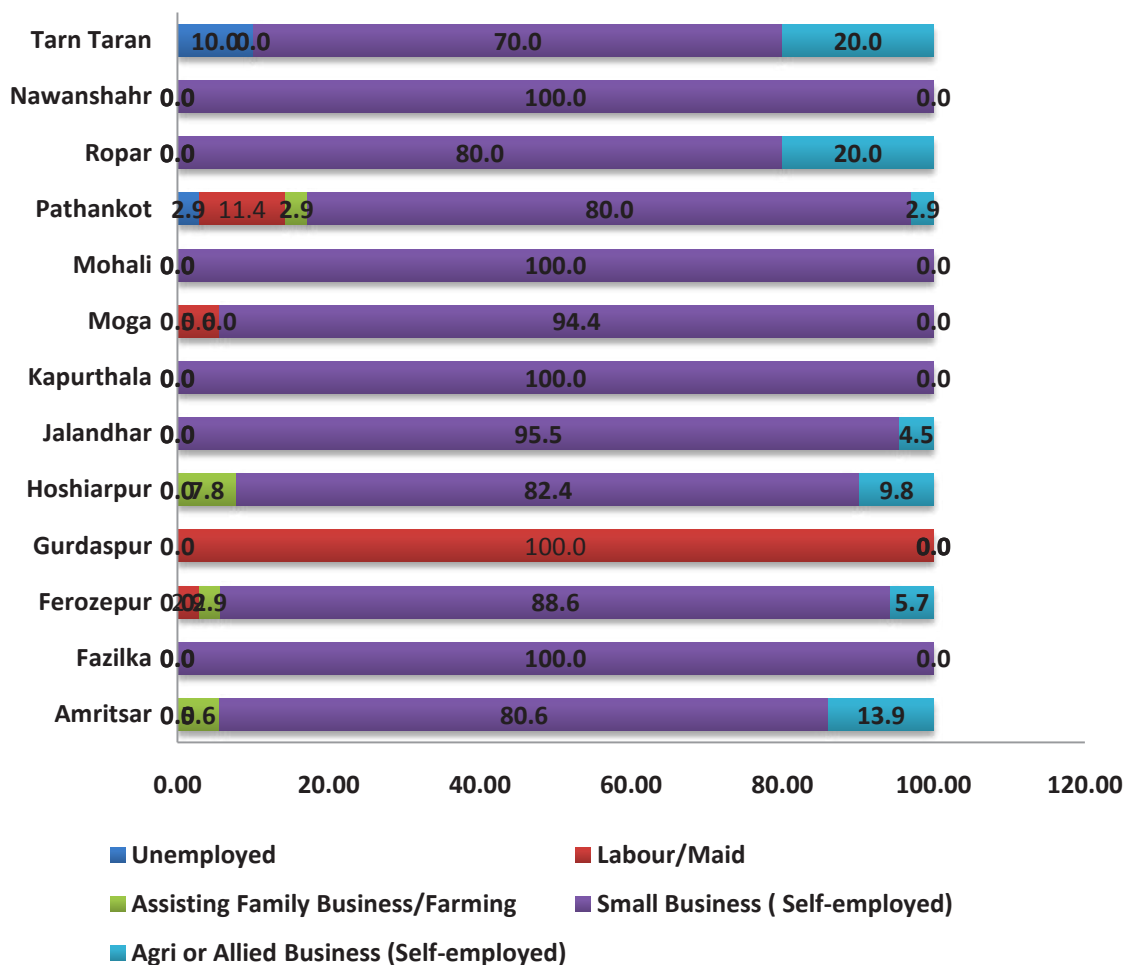
The district-wise break-up of beneficiaries before and after availing loan is given in Figures 3.12 and 3.13:

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

Source: Researcher's collected data

The results reveal that all the beneficiaries of Gurdaspur, Jalandhar and Moga were unemployed before availing of the benefits of loan schemes of NBCFDC. The same was followed by Tarn Taran (60%), Kapurthala (50%), Ferozepur (37%), Pathankot (34%), Amritsar (19%) and Fazilka (7%). In the remaining four districts, all respondents were employed.

Figure 3.13: Percentage distribution of beneficiaries occupation-wise across different districts (After Loan)



Source: Researcher's collected data

There has been a tremendous fall in the level of unemployment level in different districts of Punjab after availing of the benefits of NBCFDC schemes as depicted from the above figure. In all districts (except two districts Tarn Taran and Pathankot) the number of unemployed beneficiaries reduced to zero. In Gurdaspur, where all respondents were unemployed, they learned some skills and started to serve as labourer/maid. Further, a significant improvement has been observed in the proportion of beneficiaries running small businesses, particularly in Nawanshahr, Moga and Fazilka.

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 to Aadhar number which is indicative of awareness of beneficiaries about the government norms.

Average Family Income

The average annual family income of beneficiaries increased after obtaining the loan from the NBCFDC. The increase has been observed not only in aggregate terms but also in per capita terms i.e. after dividing the average annual family income by the number of beneficiaries.

The average annual family income is increased from 3,52,53,200 to 5,39,98,500. The annual family income per district increased from 27,11,785 to 41,53,731. The per capita annual income was observed to be increased from 86,617.20 to 132,674.45.

The monthly increase for all beneficiaries is from 29,37,767 to 44,99,875. The per capita monthly increased from 7,218 to 11,056. The average monthly income per district has increased from 2,25,982 to 3,46,144.

District-wise analysis reveals that the maximum change was observed in the Ropar district where the income level rose from INR 1988000/- to INR 4780000/-. The same was followed by Gurdaspur (80.04%), Jalandhar (77.33%) and Mohali (70.26%). The least change was observed in district Kapurthala which was from INR 3743000/- to INR 4428000 /- i.e. by 18.30%. The same was followed by Fazilka (31.06%), Tarn Taran (33.46%) and Nawanshahr (33.58%). The results on the average annual family income of beneficiaries are presented in Table 3.5:

Table 3.5: Family income of beneficiaries across different districts*

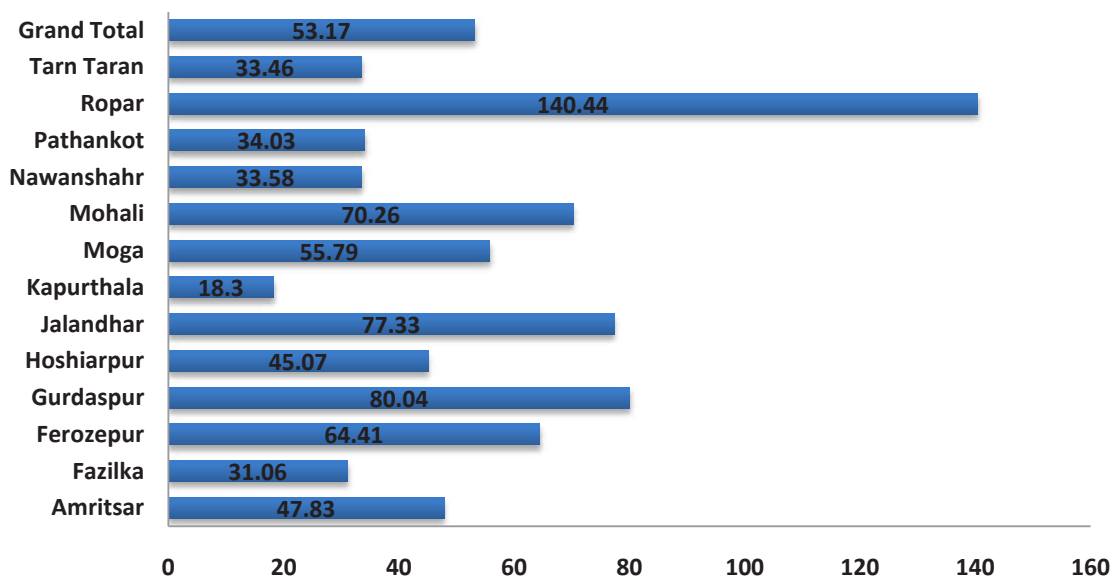
Districts	Annual Family Income (Before Loan)	Annual Family Income (After Loan)	% Annual Change**
Amritsar	3763000	5563000	47.83
Fazilka	3236000	4241000	31.06
Ferozepur	2815200	4628500	64.41
Gurdaspur	3331000	5997000	80.04
Hoshiarpur	5764000	8362000	45.07
Jalandhar	2369000	4201000	77.33
Kapurthala	3743000	4428000	18.30
Moga	1416000	2206000	55.79
Mohali	1251000	2130000	70.26
Pathankot	3156000	4230000	34.03
Ropar	1988000	4780000	140.44
SBS Nagar Nawanshahr	795000	1062000	33.58
Tarn Taran	1626000	2170000	33.46
Total Annual Income (A)	3,52,53,200	5,39,98,500	53.17
Annual Income per District (A / No. of districts i.e. 13)	27,11,785	41,53,731	53.17
Per Capita Annual Income (A / No. of beneficiaries i.e. 407)	86,617.20	132,674.45	53.17
Total Monthly Income (B) i.e. Total Annual Income / 12	29,37,767	44,99,875	53.17
Monthly Income per District (B / / No. of districts i.e. 13)	225,982	346,144	53.17
Per Capita Monthly Income (B / No. of beneficiaries i.e. 407)	7,218	11,056	53.17

*Note: Figures have been rounded off

** Change in Income = [(Income after loan–Income before loan)/ Income before loan] *100

Source: Researcher's collected data

In all the districts, there has been an increase in the average family income after availing of the loan schemes of NBCFDC as is shown in Figure. 3.14

Figure 3.14: Percentage increase in average annual family income of beneficiaries across different districts

Source: Researcher's collected data

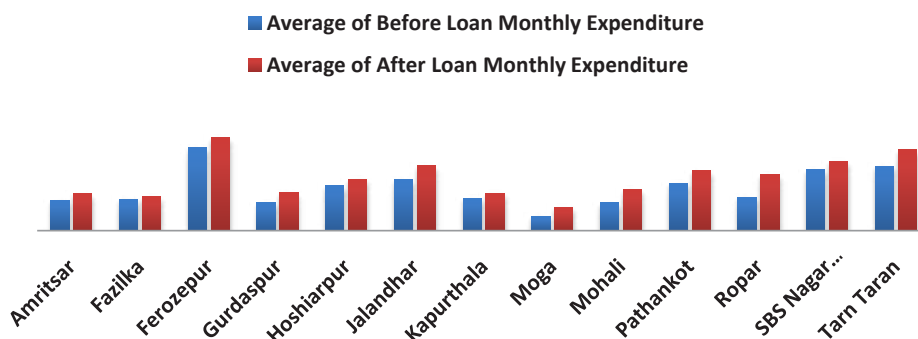
Out of 407 number of beneficiaries about GTL (34.64%), NSS (26.53%) and MSY (38.82%), the Annual aggregate family income of General Term Loan Scheme(s) beneficiaries across all districts, before the loan was Rs. 122,93,000 and after getting a loan was Rs. 189,52,500. It is concluded that there is a change in income (or) increase of Annual Income is Rs 66, 59,500 (54.17%).

The Annual aggregate family income of NSS beneficiaries across all districts, before the loan, was Rs. 100, 48,200 and after the loan was Rs. 143, 87,000. It is concluded that there is a change in Annual aggregate income is Rs.43, 38,800 (43.18 %).

Similarly, the Annual aggregate family income of MSY beneficiaries across all districts, before the loan was Rs. 129, 12,000 and after getting the loan was Rs.206, 59,000. It is concluded that there is a change in income (or) increase in income per month is Rs 77, 47,000 (60.00%).

Average Monthly Expenditure

The study observed that the scheme successfully uplifted the living standards of the beneficiaries as is evident by an increase in average monthly expenditure after availing the benefits of the loan scheme. Figures 3.15 and 3.16 depict the growth of average monthly expenditure in different districts both in percentage and

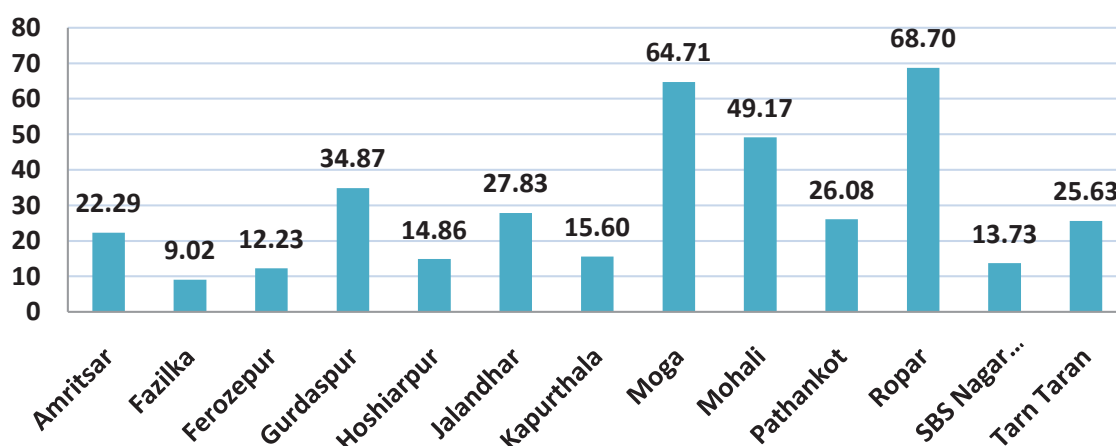
Figure 3.15: Average monthly family expenditure of beneficiaries across different districts (in number)

Source: Researcher's collected data

number. The blue bar represents the average family expenditure before taking a loan and the red bars represent the average family expenditure after taking a loan.

It has been found that Ropar district reported a maximum increment from INR 6744 to INR 11380. The same was followed by Moga. The least change (9%) was observed in the Fazilka district from INR 6325 to INR 6895. The same is followed by Ferozepur (from INR 16977 to INR 19054) and SBS Nagar Nawanshahr (from INR 12450 to INR 14160).

Figure 3.16: Percentage distribution of the increase in average monthly family expenditure of beneficiaries across different districts



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. 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 clearly shows improvement in the standard of living of the beneficiaries.

3.2 Scheme Related Information

Name of the scheme

The respondents of Punjab Gramin Bank availed all schemes i.e. General Term Loan, New Swarnima Scheme and Mahila Samriddhi Yojna as offered by the bank. Out of 2471 beneficiaries, 828 availed of the Term Loan scheme, 826 availed New Swarnima Scheme and 817 availed of Mahila Samriddhi Yojna. So PGB successfully popularised all schemes in different districts.

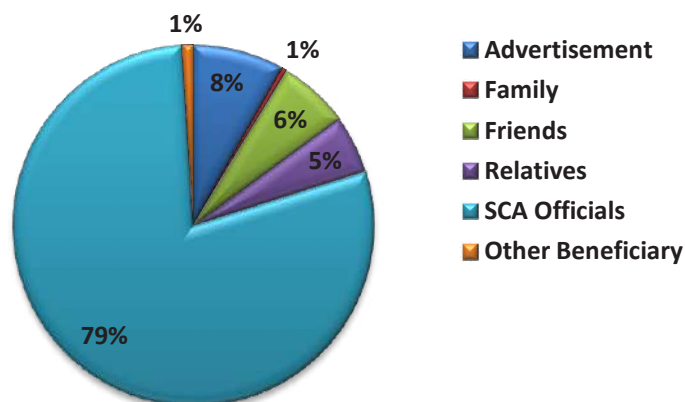
In the selected sample of 407 respondents, 141 availed of Term Loan, 108 availed of New Swarnima Scheme and 158 availed Mahila Samriddhi Yojna.

Source about the Scheme

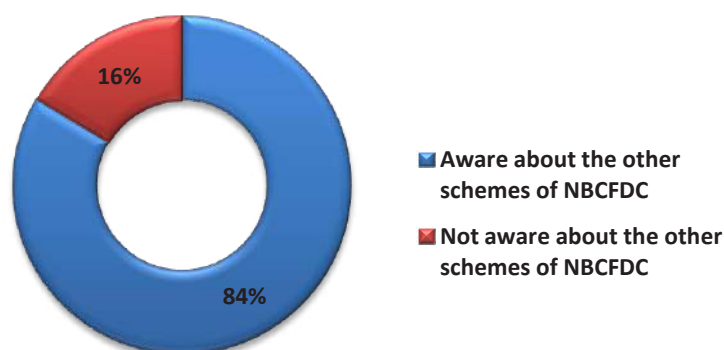
As regards the source of information about the schemes of NBCFDC, most of the respondents (around 79%) gave the credit to State Channelizing Agency's officials. Figure 3.17 shows the share of different sources that have been relied upon by the respondents.

Awareness of other Schemes of NBCFDC

The study observed that beneficiaries of PGB were better equipped with the knowledge of other schemes of NBCFDC. 340 respondents out of 407 i.e. 84% were aware of other schemes of NBCFDC however remaining 16% were not aware of other schemes (Figure 3.18).

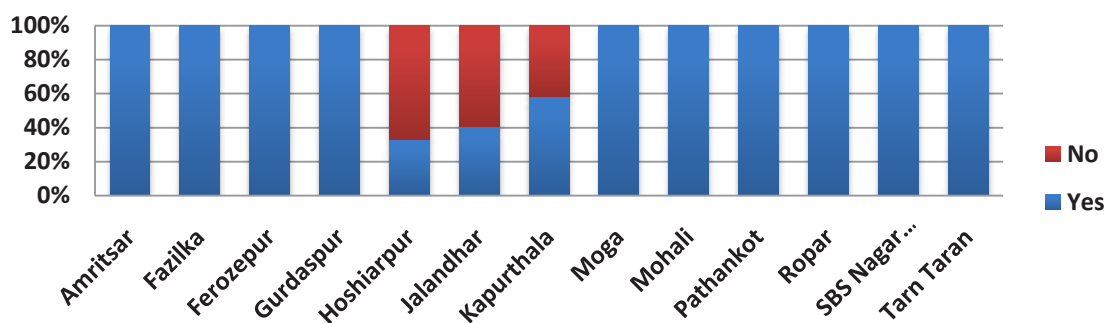
Figure 3.17: Percentage-wise distribution of beneficiaries as per the source of information

Source: Researcher's collected data

Figure 3.18: Awareness about other schemes of NBCFDC among beneficiaries

Source: Researcher's collected data

An Analysis of different districts revealed that the level of awareness about other schemes of NBCFDC is not satisfactory in three districts viz., Hoshiarpur, Jalandhar and Kapurthala (Figure 3.19). 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 3.19: Number of beneficiaries across different districts as per awareness about the schemes

Source: Researcher's collected data

There is a need to create more awareness through different programmes in three districts: Hoshiarpur, Jalandhar and Kapurthala. In the rest of the districts, the respondents were quite aware of the other schemes of NBCFDC.

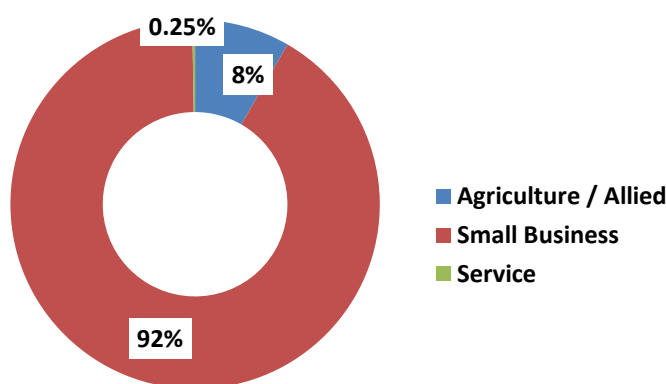
Any other Loan except PGB

In most of the districts, respondents were not having a loan except that taken from NBCFDC through PGB.

Purpose of Loan

The respondents expressed interest to apply and avail a loan for activities viz., agriculture and allied / small business/ transport sector/ service sector/education. Figure 3.20 shows the distribution of beneficiaries across different sectors.

Figure 3.20: Percentage-wise distribution of number of beneficiaries as per loan activities



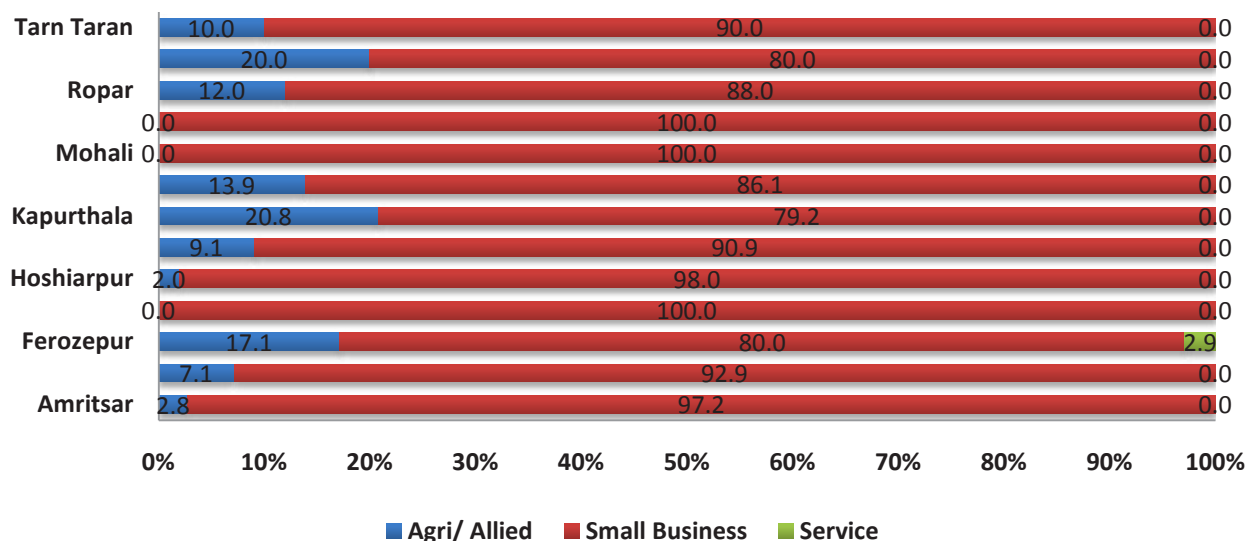
Source: Researcher's collected data

As depicted in the Figure, 372 out of the total 407 beneficiaries i.e. around 92% of respondents have taken loans for small businesses. 34 beneficiaries availed the loan for the investment in the agricultural and allied sectors. A meager share of the population (one each) invested in other i.e. transport/service/education sector (Table 3.6 and Figure 3.21).

Table 3.6: Number of beneficiaries across different districts as per loan activities or sector

District	Agri./ Allied	Small Business	Service	Total
Amritsar	1	35	0	36
Fazilka	3	39	0	42
Ferozepur	6	28	1	35
Gurdaspur	-	41	0	41
Hoshiarpur	1	50	0	51
Jalandhar	2	20	0	22
Kapurthala	10	38	0	48
Moga	5	31	0	36
Mohali	0	16	0	16
Pathankot	0	35	0	35
Ropar	3	22	0	25
SBS Nagar Nawanshahr	2	8	0	10
Tarn Taran	1	9	0	10
Grand Total	34	372	1	407

Source: Researcher's collected data

Figure 3.21: Percentage distribution of beneficiaries across different districts as per loan activities or sector

Source: Researcher's collected data

In Gurdaspur, Mohali and Pathankot the loan was taken only for conducting small business. Maximum takers of loans for the agriculture sector were from Kapurthala followed by Ferozepur. In the rest of the districts, preference is clearly shown for small businesses.

Difficulties in getting Loan

While 68 percent of beneficiaries responded that they did not face any problem in getting the loan, 32 percent shared that they experienced difficulties. The primary difficulty faced by most of them was related to the formalities that they had to fulfill to avail of the loan which made the loan sanctioning process quite time-consuming.

Utilization of loan for the intended purpose

The beneficiaries were asked whether they have utilised the loan amount for the purpose for which it was sanctioned. The responses revealed that all beneficiaries (100%) have used the sanctioned amount for the agreed purpose only. Most of the beneficiaries have opted for a loan for consumable as well as durable products relating to their business purposes like a boutique (18%), tailoring business (17%), beauty parlour (15%), dairy business (13%), Kirana store (11%), agriculture (8%), clothing (6%), electric (6%) and other small businesses like cycle shop, car washing service center, printing, sweets shop, etc.

Amount applied

The majority of the respondents (43%) applied for a small loan ranging below to INR fifty thousand only. Around 37% of the respondents were availing loans within the range of fifty thousand to one lakh. 73 respondents i.e. around 18% applied for the amount of more than one and a half lakh.

As shown in Table 3.7, in three districts viz., Fazilka (69%), Moga (61%) and Hoshiarpur (52.9%) more than half of the beneficiaries availed of small loans i.e. loan amounting to INR less than fifty thousand. In Kapurthala, the majority of the respondents applied for loans ranging from fifty thousand to one lakh. In Nawanshahr, four out of ten i.e. 40% of the beneficiaries applied for a loan amounting to rupees more than one and a half lakh.

Amount Sanctioned

The analysis of actual loan sanctioned by the Punjab Gramin Bank shows that since the majority of the

Table 3.7: Number of Beneficiaries across different districts as per the amount of loan applied.

Districts	Below 50000	50000 - 100000	100000-150000	Above 150000	Total
Amritsar	16	18	0	2	36
Fazilka	29	6	0	7	42
Ferozepur	14	13	2	6	35
Gurdaspur	16	15	1	9	41
Hoshiarpur	27	20	0	4	51
Jalandhar	11	5	0	6	22
Kapurthala	10	33	0	5	48
Moga	22	8	2	4	36
Mohali	6	6	0	4	16
Pathankot	9	13	0	13	35
Ropar	10	9	0	6	25
SBS Nagar Nawanshahr	3	3	0	4	10
Tarn Taran	4	2	1	3	10
Total	177	151	6	73	407

Source: Researcher's collected data

population applied for small loans (up to fifty thousand) only, around 40% of the sanctioned loan pertains to this category (Table 3.8).

Table 3.8: Number of beneficiaries across different districts as per amount sanctioned for loan

Districts	Below 50000	50000 - 100000	100000-150000	Above 150000	Total
Amritsar	16	18	0	2	36
Fazilka	29	6	0	7	42
Ferozepur	14	13	2	6	35
Gurdaspur	16	15	1	9	41
Hoshiarpur	28	19	0	4	51
Jalandhar	11	5	0	6	22
Kapurthala	10	33	0	5	48
Moga	22	8	2	4	36
Mohali	6	6	0	4	16
Pathankot	9	13	0	13	35
Ropar	10	9	0	6	25
SBS Nagar Nawanshahr	3	3	0	4	10
Tarn Taran	4	3	0	3	10
Total	178	151	5	73	407

Source: Researcher's collected data

Out of 73 persons applying for a loan above than one and a half lakh, everyone got a loan sanctioned in the same category. Maximum beneficiaries under this category belong to Pathankot followed by Gurdaspur and Fazilka. 178 i.e. around 20% of the total beneficiaries have availed the loan ranging from fifty thousand to one lakh.

Status of Loan Repayment

The analysis of the repayment schedule revealed that most of the beneficiaries used to pay back the amount of loans regularly. But the number of defaulters/irregular beneficiaries is significant (Table 3.9).

Table 3.9: Number of Beneficiaries across different districts as per loan repayment status

District	Regular	Irregular	Defaulter	Total
Amritsar	33	3	0	36
Fazilka	33	9	0	42
Ferozepur	30	3	2	35
Gurdaspur	36	2	3	41
Hoshiarpur	51	0	0	51
Jalandhar	21	1	0	22
Kapurthala	48	0	0	48
Moga	35	0	1	36
Mohali	16	0	0	16
Pathankot	34	0	1	35
Ropar	25	0	0	25
SBS Nagar Nawanshahr	10	0	0	10
Tarn Taran	8	0	2	10
Grand Total	380	18	9	407

Source: Researcher's collected data

In Gurdaspur three beneficiaries are defaulters and two were making a repayment on an irregular basis. In Ferozepur also five irregular/defaulters beneficiaries were noted. In Fazilka, the situation is very alarming as 21% of the beneficiaries i.e. 9 out of 42 were not making payment regularly. This may lead to a financial loss to the institution. The situation calls for appropriate action by the State Channelizing Agency. Five districts viz., Hoshiarpur, Kapurthala, Mohali, Ropar and Nawanshahr have been identified as best repaying districts with 100% regular repayments.

Reason for Irregularity/Defaulter

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

A surety is given for Loan

Loans up to 10 lakhs are covered under credit guarantee schemes for micro funds. In practice, it is desirable to have surety or a fidelity guarantee from Sarpanch or any other reputed person in the area. The results revealed that some of the beneficiaries have mortgaged their assets (like landed property) as security of loan repayment. However, a major junk of beneficiaries has not mortgaged any physical property for the loan.

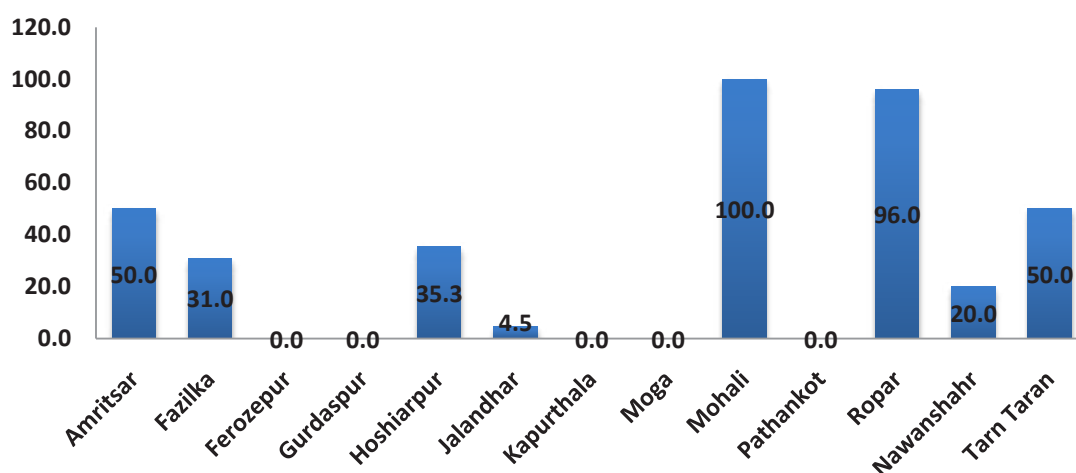
Employment given to others

The majority of the loan was taken for small businesses and therefore they could further generate some employment for the economy. Out of 407 beneficiaries, 97 beneficiaries i.e. around 24% of the beneficiaries contributed to further employment generation. They have started their venture. Table 3.10 shows the number of beneficiaries who have generated employment opportunities.

Table 3.10 Number of beneficiaries across different districts as per employment generation to economy

District	No. of beneficiaries created employment for others	No. of beneficiaries who have not created employment for others
Amritsar	18	18
Fazilka	13	29
Ferozepur	0	35
Gurdaspur	0	41
Hoshiarpur	18	33
Jalandhar	1	21
Kapurthala	0	48
Moga	0	36
Mohali	16	0
Pathankot	0	35
Ropar	24	1
Nawanshahr	2	8
Tarn Taran	5	5
Grand Total	97	310

Source: Researcher's collected data

Figure 3.22: Percentage of Number of beneficiaries who created employment opportunities for others across different districts

Source: Researcher's collected data

The maximum number of employment was generated in Ropar (24) followed by Amritsar (18), Hoshiarpur (18), Mohali (16), Fazilka (13), TarnTaran (5), Nawanshahr (2) and Jalandhar (1). Among all these districts Mohali was the only district in which 100% of the beneficiaries (i.e. all 16 respondents) have contributed to further employment generation (Figure 3.22).

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 (99%) of the beneficiaries. Only two of the respondents belonging to Amritsar and Hoshiarpur pointed out the insufficiency of the sanctioned amount. Table 3.11 shows the number of beneficiaries claiming the sufficiency of the sanctioned amount.

Table 3.11: Sufficiency of loan and number of beneficiaries across different districts

District	Sufficient	Not Sufficient	Total
Amritsar	35	1	36
Fazilka	42	0	42
Ferozepur	35	0	35
Gurdaspur	41	0	41
Hoshiarpur	50	1	51
Jalandhar	22	0	22
Kapurthala	48	0	48
Moga	36	0	36
Mohali	16	0	16
Pathankot	35	0	35
Ropar	25	0	25
SBS Nagar Nawanshahr	10	0	10
Tarn Taran	10	0	10
Grand Total	405	2	407

Source: Researcher's collected data

3.3 Satisfaction from the Different Facilities/ Services

The respondents were asked to rate their satisfaction level from different services/facilities extended by the Punjab Gramin Bank to them. They have been asked to rank their satisfaction level on 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. The following Table 3.12 exhibits the descriptive statistics of the satisfaction level.

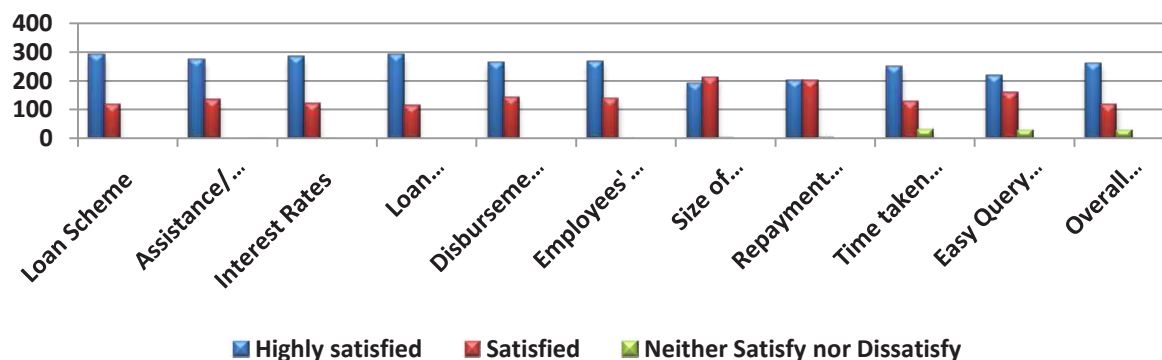
Table 3.12: Level of satisfaction of beneficiaries towards different services offered by PGB

Variables	Average	Standard Deviation
Loan Scheme	1.29	.453
Assistance/ Guidance by SCA	1.34	.503
Interest Rates	1.30	.466
Loan sanctioning system	1.28	.451
Disbursement system	1.35	.479
Employee's behavior	1.35	.487
Size of Monthly installments	1.54	.514
Repayment Period	1.52	.524
Time taken for Loan Approval	1.45	.626
Easy Query Handling	1.54	.622
Overall Services	1.43	.619

Source: Researcher's collected data

It has been observed that on an average Punjab Gramin Bank achieved 1-2 graded levels i.e. highly satisfied to a satisfactory level. Respondents observed to be satisfied with loan schemes and sanctioning systems. However, the study observed unrest among the beneficiaries in respect of repayment period (average score: 1.52), size of installments (average score: 1.54) and query handling mechanism (average score: 1.54). Since most of the beneficiaries of the bank have started their own business which may not generate guaranteed income, the payment schedule appears to be a good reason for worry to them. Figure 3.23 and Table 3.13 exhibit the number and percentage of beneficiaries concerning their satisfaction level with a particular service.

Figure 3.23: Satisfaction level of beneficiaries to particular services (in number)



Source: Researcher's collected data

Table 3.13: Percentage of beneficiaries concerning their satisfaction level in particular services

Variables	Highly satisfied	Satisfied	Neither Satisfy nor Dissatisfied	Dissatisfied	Highly Dissatisfied
Loan Scheme (LS)	71.3	28.7	0	0	0
Assistance/ Guidance by SCA (A)	67.1	32.7	0	0	0.2
Interest Rates (IR)	69.8	30	0.2	0	0
Loan sanctioning system (LSS)	71.7	28.3	0	0	0
Disbursement system (DS)	64.6	35.4	0	0	0
Employees' behavior (EB)	65.8	33.7	0.5	0	0
Size of Monthly installments (SMI)	47.2	52.1	0.7	0	0
Repayment Period (RP)	49.1	49.6	1.2	0	0
Time taken for Loan Approval (T)	61.7	31.2	7.1	0	0
Easy Query Handling (EQH)	53.3	39.8	6.9	0	0
Overall Services (OS)	64.4	28.7	6.9	0	0

Source: Researcher's collected data

Around 71 percent of the beneficiaries of PGB found to be highly satisfied with the loan sanctioning system and loan schemes. The highly dissatisfactory variable for the beneficiaries has been identified as the time taken for the approval of the loan and around 7% of the respondents have selected 3rd rank i.e. they were found neither satisfied nor dissatisfied with this. This calls for immediate intervention on the part of the authorities. Around 6.9 percent of the respondents were found neither satisfied nor dissatisfied with the query handling mechanism. Further, it was observed that out of the beneficiaries of PGB, around 0.2 percent were highly dissatisfied with the assistance/ guidance provided by PGB. Table 3.14 shows the correlation of overall satisfaction with other variables.

Table 3.14: Correlation of overall satisfaction with different variables

Variables	Correlation
Loan Scheme (LS)	0.415
Assistance/ Guidance by SCA (A)	0.378
Interest Rates (IR)	0.412
Loan sanctioning system (LSS)	0.390
Disbursement system (DS)	0.680
Employees' behavior (EB)	0.704
Size of Monthly installments (SMI)	0.522
Repayment Period (RP)	0.515
Time taken for Loan Approval (T)	0.817
Easy Query Handling (EQH)	0.750

Source: Researcher's collected data

As depicted from the table, overall satisfaction has a high degree of correlation with the time taken for approval. NBCFDC should attempt to reduce the same. Further, query handling and employee behaviour are also crucial to determine the overall satisfaction level. Since around 40% of the respondents were not highly satisfied with the query handling mechanism also 34% reported to be merely satisfied (not highly satisfied) with employee's behaviour, therefore PGB should look into the matter and must ensure healthy practices at their level.

3.4 Impact of Different Schemes on Beneficiaries

Since Punjab Gramin Bank extends credit to its beneficiaries under three schemes viz., Term Loan scheme (TL), New Swarnima Scheme (NSS) and Mahila Samridhhi Yojna (MSY). The study attempted to compare the performance of individual loan schemes on three important facets i.e. change in the income, change in household savings and employment generation to others. The study observed that more than 10% of beneficiaries of every scheme reported an increase in income by more than 100 percent. There was an increase in income by 90 percent - 100 percent of 4 TL beneficiaries (2.8%), 4 MSY beneficiaries (2.5%) and 1 NSS beneficiary. In terms of a rise in income, TL has been the best performer as 77.3 percent of the total beneficiaries have reported a 70 percent increase in their income, after availing the loan, in other words, 22.7 percent of beneficiaries reported more than 70 percent rise in their income level. The same is followed by beneficiaries of the MSY scheme where around 19 percent (4.4% + 1.9% + 2.5% + 10.1%) of the beneficiaries reported an increase in income by more than 70 percent after availing loan (Table 3.15).

Table 3.15: Percentage change in income after availing loan under different schemes

Change in Income	Number of TL Beneficiaries			Number of NSS Beneficiaries			Number of MSY Beneficiaries		
	Number	Percentage	Cumulative %	Number	Percentage	Cumulative %	Number	Percentage	Cumulative %
Upto 10%	4	2.8	2.8	9	8.3	8.3	5	3.2	3.2
10% - 20%	16	11.3	14.2	17	15.7	24.1	15	9.5	12.7
20%-30%	30	21.3	35.5	22	20.4	44.4	32	20.3	32.9
30%-40%	30	21.3	56.7	18	16.7	61.1	23	14.6	47.5
40%-50%	15	10.6	67.4	10	9.3	70.4	26	16.5	63.9
50%-60%	2	1.4	68.8	5	4.6	75.0	14	8.9	72.8
60%-70%	12	8.5	77.3	9	8.3	83.3	13	8.2	81.0
70%-80%	4	2.8	80.1	4	3.7	87.0	7	4.4	85.4
80%-90%	6	4.3	84.4	1	0.9	88.0	3	1.9	87.3
90%-100%	4	2.8	87.2	1	0.9	88.9	4	2.5	89.9
More than 100%	18	12.8	100.0	12	11.1	100.0	16	10.1	100.0
	141	100		108	100		158	100	

Source: Researcher's collected data

The impact of different schemes on saving levels can be observed in Table 3.16. 54 out of 141 beneficiaries of term loan scheme i.e. around 38 percent of the beneficiaries reported an increase in saving up to 70 percent and the remaining 62 percent reported more than 70 percent increment in saving. In the case of NSS beneficiaries, around 61 percent of the beneficiaries had more than 70 percent increment in saving. Around 70 percent of the beneficiaries of MSY had more than 70 percent increment in saving.

Table 3.16: Percentage change in savings after availing loan under different schemes

Change in savings	Number of TL Beneficiaries			Number of NSS Beneficiaries			Number of MSY Beneficiaries		
	Number	Percentage	Cumulative %	Number	Percentage	Cumulative %	Number	Percentage	Cumulative %
Upto 10%	31	22.0	22.0	17	15.7	15.7	30	19.0	19.0
10% - 20%	3	2.1	24.1	6	5.6	21.3	5	3.2	22.2
20%-30%	2	1.4	25.5	4	3.7	25.0	1	0.6	22.8
30%-40%	4	2.8	28.4	7	6.5	31.5	0	0.0	22.8
40%-50%	7	5.0	33.3	3	2.8	34.3	10	6.3	29.1
50%-60%	1	0.7	34.0	1	0.9	35.2	1	0.6	29.7
60%-70%	6	4.3	38.3	4	3.7	38.9	1	0.6	30.4
70%-80%	4	2.8	41.1	0	0.0	38.9	1	0.6	31.0
80%-90%	1	0.7	41.8	2	1.9	40.7	1	0.6	31.6
90%-100%	67	47.5	89.4	51	47.2	88.0	98	62.0	93.7
More than 100%	15	10.6	100.0	13	12.0	100.0	10	6.3	100.0
	141	100		108	100		158	100	

Source: Researcher's collected data

As shown in Table 3.17, around 27 percent i.e. 29 out of 108 beneficiaries of NSS were successful in generating employment for others. 33 out of the 141 beneficiaries of term loan generated employment to others and around 22 percent i.e. 35 out of 158 beneficiaries of MSY generated employment to others. In aggregate terms, 97 respondents out of 407 total beneficiaries generated employment to others in the Punjab region, after availing loan under different schemes of NBCFDC. The remaining 76 percent of the respondents thought could not generate employment to others used the sanctioned loan amount, either in starting/expanding their venture. In terms of employment generation to others, NSS has proven to be best and the same is followed by the term loan scheme.

Table 3.17: Employment generation under different loan schemes

	TL Beneficiaries		NSS Beneficiaries		MSY Beneficiaries		Total	
	Number	%	Number	%	Number	%	Number	%
Employment Generated to Others	33	23.4	29	26.9	35	22.2	97	23.8
No Employment generated to Others	108	76.6	79	73.1	123	77.8	310	76.2
Total	141	100	108	100	158	100.0	407	100

Source: Researcher's collected data

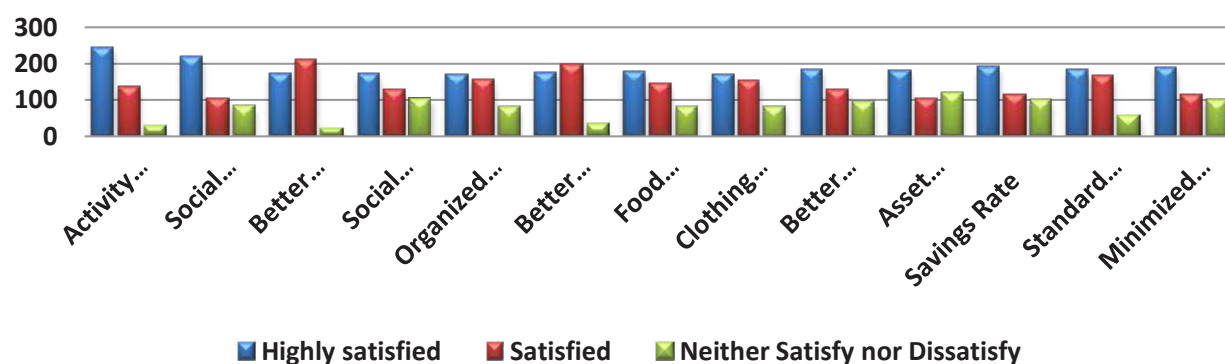
To evaluate the impact of different schemes on beneficiaries, the respondents were asked to rank the impact level in terms of some specific variables (Table 3.18). The selected variables include participation in social service activities, better schooling of the children, social recognition in the society, 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 of the loan scheme.

Table 3.18: Descriptive Statistics of variables

Variables	Average	Standard Deviation	Minimum	Maximum
Activity started with Loan Assistance	1.464	0.618	1	3
Participation in Social Service Activities	1.673	0.796	1	3
Better Schooling of the Children	1.629	0.589	1	3
Social Recognition	1.830	0.811	1	3
Participation in Organized Activities	1.781	0.755	1	3
Better access to Health facilities	1.649	0.625	1	3
Food Consumption Pattern	1.757	0.764	1	3
Clothing Status	1.786	0.760	1	3
Better access to Financial resources	1.784	0.799	1	3
Asset Creation	1.848	0.849	1	3
Savings Rate	1.776	0.819	1	3
Standard of Living	1.690	0.704	1	3
Minimized Family indebtedness	1.781	0.821	1	3

Source: Researcher's collected data

It is worthwhile to observe that the maximum score for all variables is 3, which represents unchanged. Therefore, it can be concluded that none of the beneficiaries experienced any decline in the selected variables. The variables, activity started with loan assistance followed by better schooling to children, social service participation and better access to health facilities have been proven to create maximum satisfaction to the respondents. The variable asset creation followed by social recognition, clothing status and better access to financial resources showed the least satisfaction level. But the average scores of these variables are less than 2, which portrays the success of the schemes of NBCFDC. Figure 3.24 and Table 3.19 exhibit the number and percentage of beneficiaries concerning their perception regarding the overall impact of the loan schemes of NBCFDC.

Figure 3.24: Overall perception of beneficiaries regarding the impact of the scheme (in number)

Source: Researcher's collected data

Table 3.19: Perception of beneficiaries' w.r.t impact of schemes (in percentage)

Variables	Notable Increase	Moderate Increase	Unchanged
Activity started with Loan Assistance (AS)	60.2	33.2	6.6
Participation in Social Service Activities (PS)	53.3	26	20.6
Better Schooling of the Children (SC)	42.8	51.6	5.7
Social Recognition (SR)	42.8	31.4	25.8
Participation in Organized Activities (PO)	41.8	38.3	19.9
Better access to Health facilities (HF)	43.2	48.6	8.1
Food Consumption Pattern (FC)	44.2	35.9	19.9
Clothing Status (CS)	41.8	37.8	20.4
Better access to Financial resources (FR)	45	31.7	23.3
Asset Creation (AC)	44.7	25.8	29.5
Savings Rate (SR)	47.2	28	24.8
Standard of Living (SL)	45	41	14
Minimized Family indebtedness (FD)	46.9	28	25.1

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. The beneficiaries of the schemes observed notable increment in respect of activity started with loan assistance followed by social service participation, minimized family indebtedness, the standard of living and savings rate. Table 3.20 shows the correlation among variables.

Table 3.20: Correlation among satisfaction level of beneficiaries to different variables

	AS	PS	SC	SR	PO	HF	FC	CS	FR	AC	SR	SL	FD
AS	1.0												
PS	0.6	1.0											
SC	0.5	0.6	1.0										
SR	0.7	0.8	0.7	1.0									
PO	0.6	0.7	0.7	0.8	1.0								
HF	0.6	0.6	0.7	0.7	0.8	1.0							
FC	0.4	0.6	0.7	0.7	0.7	0.7	1.0						
CS	0.5	0.5	0.7	0.7	0.7	0.7	0.8	1.0					
FR	0.6	0.7	0.7	0.8	0.8	0.7	0.7	0.7	1.0				
AC	0.5	0.6	0.7	0.8	0.8	0.7	0.8	0.7	0.8	1.0			
SR	0.5	0.6	0.7	0.8	0.8	0.7	0.8	0.8	0.7	0.8	1.0		
SL	0.6	0.7	0.7	0.8	0.8	0.8	0.8	0.7	0.7	0.8	0.8	1.0	
FD	0.6	0.6	0.7	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.9	0.8	1.0

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 respondents have submitted lesser improvement in selected variables. However, the worst response as submitted by the beneficiaries was 'unchanged' only. No respondent marked a moderate decrease or a notable decrease. This indicates a satisfactory performance on the part of PGB.

CHAPTER IV

FINDINGS OF THE STUDY

The study analysed the beneficiaries of the SCA viz., Punjab Gramin Bank (PGB), Kapurthala. A questionnaire 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 administered to collect data from beneficiaries. The findings can be discussed as follows:

Socio-Economic Status of Beneficiaries

Gender

It has been noticed that around 71% of the beneficiaries were women. The district-wise analysis discloses that in Hoshiarpur women-centric schemes are highly popular followed by Mohali, Fazilka and Ropar. The study noted that only in Pathankot male beneficiaries are slightly more i.e 51.43%.

Education

All the beneficiaries in the scope or population were literate and the majority of them were high school (10th standard) or intermediate (12th standard) passed. It is worthwhile to mention that 5.4% of the beneficiaries of Punjab Gramin Bank have completed graduation.

Family Structure

More than 95% of the beneficiaries are married and have concrete roofed houses. Further, the majority of the studied population comprises of middle-aged group ranging from 35-40 years and also 45-50 age groups. Therefore, it can be concluded that most of the beneficiaries belong to the working-age group. 47% of the respondents have up to three members in the family and 48% have 4-5 members. The small size of families implies less family burden on the beneficiaries.

Geographical Distribution

The geographical distribution of the studied population shows that majority of beneficiaries are from a rural region. It has been observed that the average share of urban beneficiaries has increased from 25 in the year 2016-17 to 27 in the year 2017-18. But in the year 2018-19, most of the beneficiaries were observed to be residing in the rural sector. In some districts like Hoshiarpur, Mohali, Pathankot and TaranTaran, all the beneficiaries reside in rural areas.

Awareness of Government Norms

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

4.2 Effect of Loan on Employment

Self-employment

The study observes a remarkable change in the occupation status of beneficiaries. The schemes of NBCFDC reduced the unemployment problem in the region. It was noticed that 40.3% 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

The analysis of respondents of PGB depicted that before availing the benefits, only 178 of the total

beneficiaries i.e. 43.7% were entrepreneurs and used to conduct their own small business, whereas after availing the benefits 328 beneficiaries became the owners of small business.

Employment Generation in the Economy

The majority of the loan was taken for small businesses and not much employment has been generated through the scheme. Out of 407 beneficiaries of PGB, only 97 i.e. around 24% of the 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. The average annual family income increased from 3,52,53,200 to 5,39,98,500. The annual family income per district increased from 27,11,785 to 41,53,731. The per capita changed was observed to be increased from 86,617.20 to 132,674.45.

The monthly increase for all beneficiaries is from 29, 37,767 to 44, 99,875. The per capita monthly increase is from 7,218 to 11,056. Average Monthly income per district has increased from 2, 25,982 to 3,46,144.

It is noted (in consultation with NBCFDC) that a person residing in an urban area is supposed to be below the poverty line (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 as per Table 4.1 that before availing of the loan schemes 42 persons were Below Poverty Line (BPL) and 365 persons were below the Double Poverty Line (DPL) but above BPL. After availing of the schemes, 35 persons were left below the poverty line and 95 remained between BPL and DPL and the persons above the DPL rose tremendously to 277.

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

Before Loan			After Loan		
Economic status before the loan	Number of Beneficiaries	%	Economic status after loan	Number of Beneficiaries	Percentage
BPL	42	10.32	BPL	35	8.60
Above BPL but below DPL	365	89.68	Above BPL but below DPL	95	23.34
Above DPL	Above DPL	277	68.06
Total	407	100	Total	407	

Source: Researcher's collected data

The economic status of beneficiaries before and after getting a loan is presented in the above table. From Table 4.1, it is found that 10.32% of beneficiaries are in the status of BPL, and 89.68% of beneficiaries are in Above BPL up to below DPL before getting a loan. It is further identified that after availing the loan, 8.60 % of respondents are now in BPL and 23.34% of respondents are in Above BPL up to below DPL. From the result, it is found that 68.06% of respondents are now in Above DPL after availing financial assistance.

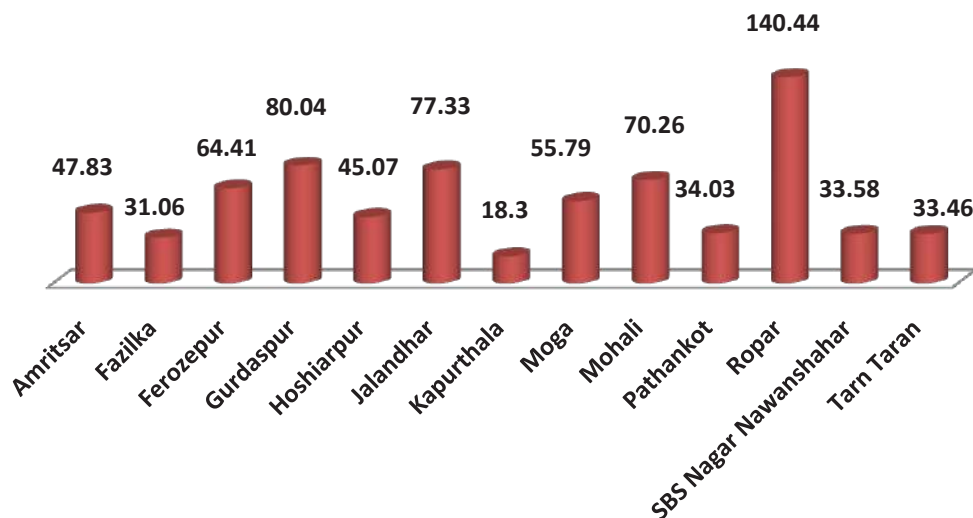
Table 4.2 Variation in the number of beneficiaries within BPL/DPL

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) (Difference of (1) & (2))	% change in variation
1	Upto BPL	42	35	- 7	16.67
2	Above BPL upto DPL	365	95	- 270	73.97
3	Above DPL	---	277	+ 277	68.06
	Total	407	407	-	-

Source: Researcher's collected data

While comparing the number of beneficiaries available in BPL before and after the loan, it is found that 16.67 % of beneficiaries are crossed the BPL category. Similarly, while comparing the number of beneficiaries available in Above BPL up to below DPL before and after loan, it is found that 73.97 have crossed the category in “Above BPL up to DPL”. Therefore, from the result, it is concluded that 68.06% of beneficiaries are in Above DPL, after availing financial assistance and overall 68.06% (277 beneficiaries) have started earning more than the DPL category after availing financial assistance. Only 8.60% of respondents (35 respondents) are still in BPL after availing of the loan which may be due to business failure.

Figure 4.1: Percentage increase in average annual family income of beneficiaries of PGB



Source: Researcher's collected data

The district-wise analysis (Figure 4.1) revealed that the maximum increment was restricted to 140.44% (in district Ropar). The percentage rise in the average annual family income of the only district Ropar is 140.44%. The same was followed by Gurdaspur (80.04%), Jalandhar (77.33%) and Mohali (70.26%). The least change was observed in districts of Kapurthala (18.30%) and moderate change in Fazilka (31.06%), Nawanshahr (33.58%), and Tarn Taran (33.46%).

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 analysis of data collected from beneficiaries of PGB also revealed that the Ropar district registered a maximum increase in average monthly expenditure from INR 6744 to INR 11380. The least change (9%) was observed in the Fazilka district followed by Ferozpur and Nawanshahr.

It is important to note that the percentage rise in expenditure is less than the percentage increase in the 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.

4.5 Popularity of Women Centric Schemes among Beneficiaries

The respondents of Punjab Gramin Bank availed all schemes i.e. General Term Loan, New Swarnima Scheme and Mahila Samridhhi Yojna as offered by the bank. Out of 2471 beneficiaries, 828 availed of the Term Loan scheme, 826 availed New Swarnima Scheme and 817 availed of Mahila Samridhhi Yojna. A large number of beneficiaries under women-centric schemes (NSS and MSY) indicates their popularity.

4.6 Awareness Level about other Loan Schemes

The beneficiaries of PGB were better equipped with the knowledge of other schemes of NBCFDC. 340 respondents out of 407 i.e. 84 percent were aware of other schemes of NBCFDC, however, the remaining 16 percent were not aware of other schemes.

4.7 Nature of Sector for which Assistance is Availed

The study observed that 372 beneficiaries of PGB i.e. around 92 percent of respondents have taken loans for small businesses, 34 beneficiaries availed the loan for the investment in the agricultural and allied sector. This clearly shows that most of them preferred starting small ventures.

4.8 Utilization of Loan for Intended Purpose

The responses revealed that all beneficiaries (100%) used the sanctioned amount for the agreed purpose only. Most of the beneficiaries have opted for a loan for consumable as well as durable products relating to their business purposes like a boutique (18%), tailoring business (17%), beauty parlour (15%), dairy business (13%), Kirana store (11%), agriculture (8%), clothing (6%), electric (6%) and other small businesses like cycle shop, car servicing center, printing, sweets shop, etc. Every borrower (100%) created assets for their intended purpose.

4.9 Amount Sanctioned

The analysis of actual loan sanctioned by the Punjab Gramin Bank shows that since the majority of the population applied for small loans (up to fifty thousand only), around 40% of the sanctioned loan pertains to this category. Out of 73 persons, who applied for a loan above one and a half lakh, everyone was sanctioned a loan in the same category. Maximum beneficiaries under this category belong to Pathankot followed by Gurdaspur and Fazilka. 20 percent of the beneficiaries availed the loan ranging from fifty thousand to one lakh.

4.10 Status of Loan Repayment

The analysis of the repayment schedule revealed that most of the beneficiaries repaid the loan installments regularly but still the presence of defaulters / irregular beneficiaries were noted. The analysis of the repayment schedule revealed the mismatch of agreed and actual repayment schedule in the Gurdaspur district, where three beneficiaries are defaulters and two are making a repayment on an irregular basis. In Ferozepur also a total of five irregular/defaulter beneficiaries were noted. In Fazilka 20% of the beneficiaries i.e. 9 out of 45 were not making payment regularly. This may affect the financial status of SCA. Five districts viz., Hoshiarpur, Kapurthala, Mohali, Ropar and Nawanshahar have been identified as the best loan repaying districts with 100% regular payees.

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

Around 32% of the respondents of PGB shared that they experienced difficulties in getting the loan. The primary difficulty as mentioned by the beneficiaries was – ‘different legal formalities to comply with’. Due to this, the loan sanctioning process became time-consuming.

Sufficiency of Loan Amount

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

Satisfaction with the services extended by SCA

Around 71% of the beneficiaries of PGB found to be highly satisfied with the loan scheme. The highly dissatisfactory variable for the beneficiaries has been identified as the time taken for the approval of the loan. Around 6.9% of the respondents were neither satisfied nor dissatisfied with the query handling mechanism. Further, it was observed that around 0.2% of beneficiaries of PGB were highly dissatisfied with the assistance/guidance provided.

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 of the loan scheme.

The study observed that the variable asset creation followed by social recognition, clothing status and better access to financial resources get the least satisfaction level. But the average scores of these variables are less than two, which signifies satisfaction towards the schemes of NBCFDC.

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 towards the socio-economic change in the state of Punjab.

CHAPTER V

RECOMMENDATIONS / SUGGESTIONS

The results of the study show a positive socio-economic impact of NBCFDC schemes on the lives of respondents. Most of the respondents got gainful employment, which in turn, gave concomitant benefits to them such as increased involvement in social activities, better access to health and education, improvement in social status and also recognition and empowerment. The positive changes in economic status resulted in better access to financial resources, decreased family indebtedness and improved lifestyles. The study observed that all loan schemes available under NBCFDC were not granted during the period of the study. The study proposes suggestions to SCA i.e. PGB based on the data analysis and feedback of beneficiaries.

Actionable Points at SCA Level/ PGB

- The study noticed that majority [around 71% (Figure. 3.1)] of the beneficiaries availing the benefits of the schemes of PGB are women. The women beneficiaries were in majority across different districts (except in Pathankot). In Pathankot 51.43 % (Table 3.1) of beneficiaries are men. The finding calls for the action on the part of Channelizing Agency to increase awareness among women in Pathankot to access benefits from various schemes of NBCFDC.
- The majority of beneficiaries are from a rural region. PGB must make sincere efforts to popularise and extend the schemes in the urban region too.
- Most of the respondents have a linkage of Mobile to Aadhar number but SCAs must ensure complete adherence to the norms.
- PGB should conduct special advertisement campaigns to promote the schemes of NBCFDC as some respondents expressed dissatisfaction regarding the information furnished by officials.
- PGB should have regular programmes to create awareness about different financing schemes, particularly for the unemployed youth. It may work with employment agencies for advertising the schemes of NBCFDC by placing hoardings at appropriate places.
- PGB may consider an online portal for filing of loan forms and disbursement of loans. Further, a detailed mechanism should be devised by SCA 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.
- 340 respondents out of 407 i.e. 84% of the total respondents were aware of other schemes of NBCFDC, however, the remaining 16% were not aware of other schemes (Figure. 3.18). An analysis of different districts revealed that the level of awareness about other schemes of NBCFDC is not satisfactory in three districts viz., Hoshiarpur, Jalandhar and Kapurthala. There is a need to create awareness through different programmes in these three districts.
- The analysis of the repayment schedule revealed that most of the beneficiaries repaid the loan amount regularly. But still, the numbers of defaulter / irregular beneficiaries are quite significant. The mismatch of agreed and actual payment schedule in Gurdaspur revealed that three beneficiaries are defaulters and two are making payment on an irregular basis. In Ferozpur also the study observed five irregular/ defaulter beneficiaries. In Fazilka 21% of the beneficiaries i.e. 9 out of 42 are not making payment regularly (Table 3.9). This calls for action by the SCA to avoid financial loss.
- Around 6.9% of the respondents of PGB were found neither satisfied nor dissatisfied with the query handling mechanism. PGB officials should ensure a healthy and cooperative query handling mechanism wherein the doubts and queries of beneficiaries could be resolved within two working days. They must also seek feedback from their clients for the possible improvement in their framework.

5.2 Actionable Points at NBCFDC Level

- 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 product at competitive rates in the market.
- 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 avail of 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 small businesses (Figure. 3.21) and not much employment has been generated through the scheme. Out of 407 beneficiaries of PGB, only 97 i.e. around 24% of the beneficiaries contributed to further employment generation` (Table 3.10). 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.
- At present, the age limit for the SHG member is 60 years which may further be extended.
- The beneficiaries were looking forward to securing insurance for their group members, their business and livestock.
- Since the awareness level regarding other schemes of NBCFDC is not good, NBCFDC must place 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 other schemes.
- The analysis of the repayment schedule revealed the mismatch of agreed and actual loan payment schedule. NBCFDC should scrutinize the schedule at periodic intervals to curb non-performing assets.
- Around 32% of the respondents of PGB shared that they experienced difficulties in getting the loan. The primary difficulty as mentioned by the beneficiaries was – ‘different legal formalities to be complied with’. Since the majority of the beneficiaries of different schemes are not much educated, NBCFDC should make attempt to simplify the procedures. For this, training should be imparted to the official staff of SCAs to overcome the practical difficulties of clients.
- The beneficiaries feel that the process of sanctioning the loan is very lengthy. Some of the respondents even mentioned that they got the sanction only after 6-7 months. NBCFDC should ensure standardised and speedy timelines for the same. The loans must be sanctioned within two months from the date of applying and disbursed within one month from the date of sanction so that the beneficiaries may start their activities in time. Further, the application and their enclosures should be simplified to 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 to be extended.
- Education is a catalyst for social transformation and social change. It is noted that there were no takers for an education loan, barring few exceptions. There is a need to create awareness for availing 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 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 to experience a perceptible change in the lives of beneficiaries.
- SCA constitutes an effective linkage between NBCFDC and its beneficiaries. NBCFDC should arrange interaction of beneficiaries with the SCA at periodic intervals to strengthen the rapport between the two which is important for successful execution and realization of objectives of NBCFDC schemes.
- 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 reach of the schemes.

CHAPTER VI

SUCCESS STORIES

This chapter presents a glimpse of activities started by some beneficiaries of PGB and testimony given by two beneficiaries (Pooja Devi and Poromella Devi from Hoshiarpur district). The activities show that the loan was utilised for diverse purposes: setting up a Kirana store, beauty salon, handicraft unit, car servicing center, tailoring unit, tent house service, etc. This indicates that most of the beneficiaries invested in small businesses.

Table 6.1: Brief Details of Beneficiaries of Punjab Gramin Bank

Sl. No	Name and District	Loan obtaining Year	Amount sanctioned	Name of Project along with description	Annual Income before the loan	Annual Income after the loan
1.	Baljit Kaur, Ropar	2017	100000	Kirana store	70,000	1,50,000
2.	Gurinder Kaur, Fazilka	2017	1,00,000	Beauty Parlour	80,000	90,000
3.	Gurwinder Singh, Ropar	2017	1,90,000	Electrical repair items Shop	68,000	2,00,000
4.	Jagroop Singh, Amritsar	2017	50,000	Embroidery shop	96,000	1,50,000
5.	Rakesh Kumar, Fazilka	2017	1,90,000	Car Washing Centre	84,000	1,44,000
6.	Devinder Kaur, Ropar	2016	47,500	Beauty parlour	50,000	1,50,000
7.	Puja Devi, Hoshiarpur	2017	1,90,000	Retail Trade Business	1,65,000	2,20,000
8.	Parmella Devi, Hoshiarpur	2016	1,00,000	Boutique material	1,10,000	1,40,000

Glimpses of Activities of Beneficiaries after availing the loan



Baljit Kaur, Ropar Kirana store



Gurinder Kaur, Fazilka, Beauty Parlour



Gurwinder Singh, Ropar, Electrical repair items Shop



Jagroop Singh, Amritsar, Embroidery shop



Rakesh Kumar, Fazilka, Car Washing Centre



Devinder Kaur, Ropar

Hoskarpur CDHS

GTL (10) 17/8 *Pooja Devi*SUCCESS STORIES

Name of the Beneficiary :- Pooja Devi
 who Pawan Kumar.
 DOB - 1-1-1968 Mobile - 9463670758
 Address :- VPO - Pandari Beet PO - Kot main
 Teh Bhatinda Distt Hoshiarpur



In this connection, Mr Pooja Devi of V Pandari Beet has been employed earlier in her village & her husband has not also earning. Her family condition was not very good. She also came to know the bank schemes, as she attended one camp in nearby village. She then visited the bank & came to know about the loan scheme of General Term loan, where she raised a loan of Rs. 1,90,000/- for Retail Trade Business under General Term loan. She worked hard & business started flourishing very well. Now her living condition has also improved & she made some savings. Also the instalments were paid timely & appreciated bank staff in establishing the business.

S. K. Mishra
 S.K. Mishra
 DCO Hoshiarpur

SUCCESS STORIES :

NAME of the Beneficiary — Paromella Devi
W/O Jaganmohan Singh

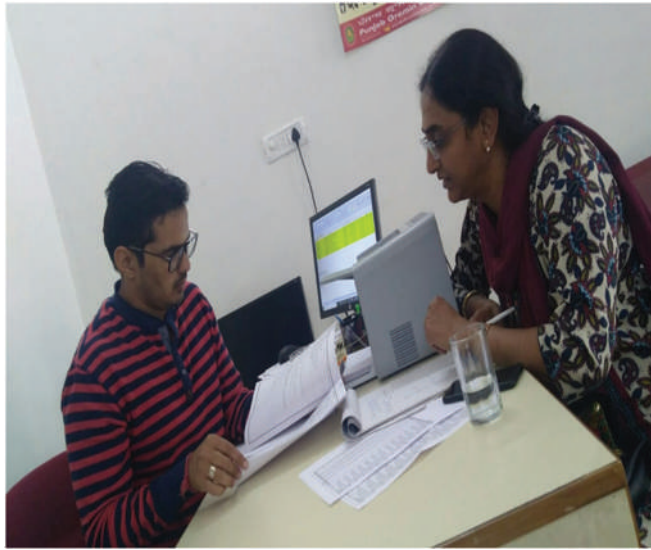
DOB - 54yr MOBILE - 7508846050

Address - VPO - Hardeo Khundpur Teh mukerian
Distt Hoshiarpur



In this connection, Mr. Paromella Devi after 10th Class, got training in Tailoring Course. The family condition in the beginning was not so good. Then after marriage, PGB organised FLC Camp in their village & she came to know about Social Security Schemes announced by the bank & also about Self Employed Schemes. Then she visited the Branch & took the loan under New Gramin Scheme (NSS) & started the Boutique with a loan of Rs. 10000/- (one lakh only). The rate of interest was also very low which also helped in establishing the business. Now she runs a few houses & also having some savings & her condition of life style has also improved a lot. She has appreciated the Scheme also.

Officer In-charge
S.K. VARDHAN
D Co Hoshiarpur.



Research Team Interacting with the Beneficiaries



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 : _____
1. Block : _____
2. Gender : Male ☐ Female ☐ Others ☐
3. Age (in years) : _____
4. Educational Status (Illiterate / Ability to Sign/ Upto 5th Passed / Upto 8th Passed/ Upto 10th Passed/ Upto 12th Passed / Diploma/ Graduate / Post Graduate/ Others): _____
5. Place : Rural ☐ Urban ☐
6. Type of Residence : Own House ☐ Rental House ☐
7. Address with Mobile No : _____

8. Marital status : Married / Unmarried / widow / Divorced / Separated
9. 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 Gramin Bank (PGB) (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 Samriddhi 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 to 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 District Coordinating 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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