

GOVERNMENT OF INDIA
MINISTRY OF WOMEN AND CHILD DEVELOPMENT

LOK SABHA

UNSTARRED QUESTION NO. 1125

TO BE ANSWERED ON 04.12.2015

RASHTRIYA MAHILA KOSH

1125. SHRI GANESH SINGH: SHRI KAPIL MORESHWAR PATIL:

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

- (a) the objectives of the Rashtriya Mahila Kosh (RMK) set up by the Government with its initial and present corpus;
- (b) the details of loan schemes of RMK, the eligibility norms thereof along with the activities undertaken thereby indicating the loans sanctioned, released and number of beneficiaries covered during each of the last three years and the current year, scheme and State/UT-wise;
- (c) whether the Government has taken note that benefits of RMK are not reaching to the needy women;
- (d) if so, the details thereof along with the corrective measures taken by the Government to simplify the loan procedure under the scheme; and
- (e) the further measures taken by the Government to effective implementation of RMK?

ANSWER

MINISTER OF WOMEN AND CHILD DEVELOPMENT
(MANEKA SANJAY GANDHI)

- (a) Rashtriya Mahila Kosh (RMK) was initially set up with a corpus of 31 crores in 1992-93. As on 31.03.2015, the corpus fund of RMK is 100 crores and Rs 143.03 crores is reserves & surpluses generated over the years from internal resources.
The main aim and objectives of the Kosh, as per Memorandum and Association of RMK, are as follow:
 - (i) To promote or undertake activities for the promotion of or to provide credit as an instrument of socio-economic change and development through the provision of a package of financial and social development services for the development of women;
 - (ii) To promote and support schemes for improvement of facilities for credit for women;
 - (iii) To promote and support experiments in the voluntary and formal sector using innovative methodologies to reach poor women with credit and other social services;
- (b) Details of loan scheme, eligibility norms and activities undertaken, Loan Sanctioned, released, No of beneficiaries covered during each of the last three years and the current year, scheme and State/UT-wise is annexed as per Annexure-I & 2 .

- (c) &(d) To evaluate the performance of the Kosh i.e whether benefits of RMK have reached to the needy women of the Country, an evaluation study covering 9 states (A.P, Assam, Delhi, M.P, Maharashtra, Odisha, Rajasthan, Tamil Nadu and West Bengal) was got conducted in the year 2012 through an independent organization Indian Society for Agribusiness Professionals, (ISAP) New Delhi. The findings/ recommendations of the said impact study are given at Annexure 3.
- (e) Following are the further measures taken by the Government for effective implementation of RMK:-
- (i) **Down ward revision in Rate of Interest (ROI):** During the past 2 year period, ROI of RMK loans has been revised downward twice. Firstly w.e.f. 01.04.2013 maximum ROI chargeable by RMK to NGOs was reduced from 8% to 6% and by NGOs to end-beneficiary from 18% to 14%. ROI chargeable to end-beneficiaries by NGOs have been further reduced to 10% from 14% as per 55th Governing Board (GB) meeting held on 17.11.2015.
- (ii) **Simplification of Loan procedures:** With a view to make loaning guidelines of RMK more effective and customer friendly, the lending guidelines have been further revised and simplified by the 55th Governing Board (GB) of RMK held on 17.11.2015.

1) Details of loan schemes of RMK

- i) **Loan Promotion Scheme:** RMK provides smaller loan, maximum upto Rs10 lakhs, to promote the activity of thrift and credit among new and smaller but potentially capable organisations having at-least six months experience in formation of SHGs, thrift, credit and recovery management.
- ii) **Main Loan Scheme:** IMOs having minimum 3 years' experience in thrift and credit activities are considered under the scheme for loan upto Rs. 200 lakhs per state and a maximum of Rs. 600 lakhs for multistate operations.
- iii) **Refinance Scheme:** RMK provides 100% refinance assistance to Mahila Urban Co-operative Bank on finances provided by them to poor women either directly or through SHGs within the norms of the RMK Main Loan Scheme.
- iv) **Franchisee Scheme:** Smaller NGOs of the State can avail loan directly from franchisee appointed by RMK for that particular State without sending their proposal to RMK office at New Delhi. RMK gives the Credit Limit upto Rs 500 lakh to the Franchisee who in turn extends loan to smaller & potential NGOs in the State.
- v) **Gold Credit Card Scheme:** This Scheme of providing hassle free finance has been designed for medium and large NGOs so as to provide extended moratorium and credit on easier terms by RMK, for 3 years period. Maximum credit limit under this scheme is Rs 500 lakh.
- vi) **Housing Loan Scheme:** Through its partner organizations, RMK provides loans upto a maximum Rs 1,00,000/- per beneficiary to SHG members for construction of low cost house and repairs.
- vii) **Working Capital Term Loan (WCTL):** WCTL is provided to the organisations for backward and forward marketing linkages of products of women SHGs/ individuals and group of entrepreneurs, including technology transfer, education for skill up- gradation and infrastructure development. The borrowing organisation should have availed of a minimum loan of Rs 25 lakhs or above under micro-credit schemes of RMK/ SIDBI / NABARD / Commercial Banks. The condition is not applicable to Government organisations. The maximum loan that can be sanctioned under this scheme is Rs 6 crores for multistate operations and Rs 2 crore per State per IMO.

Loan limit per beneficiary:-

- (a) first loan – upto Rs. 35,000/-; (b) Repeat loan(s) Rs 50,000/-.

2) Eligibility Norms of Loans

The Intermediary Micro-Financing Organization (IMO) should have:-

- i. Objectives for serving the social and economic needs of the poor women. It must not work for profit.
- ii. Necessary professional competence, basic financial management capability and organizational skills to implement the lending programme.
- iii. Be registered for more than 3 years on the date of application to RMK.
- iv. Experience in thrift and credit management for 3 years or more. (Six months for applying under the Loan Promotion Scheme).
- v. Recoveries for the loans given to its members earlier should be at least 90%.
- vi. Proper and specific clause / provision in the Bye-laws / Memorandum of Association of the organization having power to borrow or raise loans from any outside agency.
- vii. Proper system of maintaining accounts, which should have been audited and published every year and there should not have been any serious irregularities.
- viii. The office bearers of IMO should not be elected representatives of any political party.

ix The organization's audited accounts and balance sheet should reflect its experience in providing credit and recoveries, etc. and sound financial management / health.

3) Activities undertaken:- Loans are granted for various livelihood Income Generating Activities (IGA); Sustenance of their existing employment; Generation of further employment; Asset creation; Asset redemption and Tiding over consumption, social and contingent needs; etc.

The State/ UT-wise and Scheme-wise loan sanctioned, released and no. of women beneficiaries* covered during the last three years is given below.

a) For the year 2012 - 2013

(Rs in Lacs)

S. No.	State-wise and Schemes wise	Sanctioned	Released	Beneficiaries
1	Andhra Pradesh			
	Gold Credit Card Scheme		150.00	
	Subtotal		150.00	
2	Bihar			
	Composite Loan Scheme	20.00	10.00	240
	Subtotal	20.00	10.00	240
4	Delhi			
	Composite Loan Scheme	30.00	15.00	214
	Subtotal	30.00	15.00	214
4	Gujarat			
	Composite Loan Scheme	20.00	10.00	450
	Subtotal	20.00	10.00	450
5	Haryana			
	Composite Loan Scheme	40.00	20.00	300
	Subtotal	40.00	20.00	300
6	Jharkhand			
	Composite Loan Scheme		5.00	
	Subtotal		5.00	
7	Karnataka			
	Composite Loan Scheme	180.00	70.00	1233
	Subtotal	180.00	70.00	1233
8	Madhya Pradesh			
	Composite Loan Scheme	145.00	97.50	840
	Subtotal	145.00	97.50	840
9	Maharashtra			
	Composite Loan Scheme	100.00	235.00	550
	Subtotal	100.00	235.00	550
10	Odisha			
	Composite Loan Scheme	420.00	210.00	3603
	Subtotal	420.00	210.00	3603
11	Rajasthan			
	Composite Loan Scheme	450.00	275.00	2425
	Subtotal	450.00	275.00	2425
12	Tamil Nadu			
	Composite Loan Scheme	160.00	210.00	1855
	Loan Promotion Scheme		5.00	
	Subtotal	160.00	215.00	1855
13	Uttranchal			
	Composite Loan Scheme		25.00	
	Subtotal		25.00	
14	West Bengal			
	Composite Loan Scheme	693.00	511.50	9755
	Subtotal	693.00	511.50	9755
	Total	2,258.00	1,849.00	21465

b) For the year 2013 - 2014

(Rs in Lacs)

S. No.	State-wise and Schemes wise	Sanctioned	Released	Beneficiaries
1	Bihar			
	Composite Loan Scheme	50.00	35.00	350
	Subtotal	50.00	35.00	350
2	Delhi			
	Composite Loan Scheme		15.00	
	Subtotal		15.00	
3	Gujarat			
	Composite Loan Scheme		10.00	
	Subtotal		10.00	
4	Haryana			
	Composite Loan Scheme		20.00	
	Subtotal		20.00	
5	Jammu & Kashmir			
	Composite Loan Scheme	70.00		218
	Subtotal	70.00		218
6	Jharkhand			
	Composite Loan Scheme	99.00	49.50	650
	Subtotal	99.00	49.50	650
7	Karnataka			
	Composite Loan Scheme	45.00		303
	Subtotal	45.00		303
8	Madhya Pradesh			
	Composite Loan Scheme		55.00	
	Subtotal		55.00	
9	Maharashtra			
	Composite Loan Scheme		70.00	
	Subtotal		70.00	
10	Odisha			
	Composite Loan Scheme	7.30	213.65	126
	Subtotal	7.30	213.65	126
11	Rajasthan			
	Composite Loan Scheme	20.00	225.00	177
	Subtotal	20.00	225.00	177
12	Tamil Nadu			
	Composite Loan Scheme	522.50	229.25	3,417
	Loan Promotion Scheme		5.00	
	Subtotal	522.50	234.25	3,417
13	Uttar Pradesh			
	Composite Loan Scheme	19.40	19.70	114
	Subtotal	19.40	19.70	114
14	West Bengal			
	Composite Loan Scheme	196.00	295.50	2,725
	Subtotal	196.00	295.50	2,725
	Total	1,029.20	1,242.60	8,080

c) For the year 2014 - 2015

(Rs in Lacs)

S. No.	State-wise and Schemes wise	Released
1	Bihar	
	Composite Loan Scheme	25.00
	Subtotal	25.00
2	Jammu & Kashmir	
	Composite Loan Scheme	35.00
	Subtotal	35.00
3	Jharkhand	
	Composite Loan Scheme	49.50
	Subtotal	49.50
4	Karnataka	
	Composite Loan Scheme	7.50
	Subtotal	7.50
5	Rajasthan	
	Composite Loan Scheme	10.00
	Subtotal	10.00
6	Tamil Nadu	
	Composite Loan Scheme	142.00
	Subtotal	142.00
7	West Bengal	
	Composite Loan Scheme	65.00
	Subtotal	65.00
	Total	334.00

*As per loan norms of RMK, Sanctioned loan is disbursed in two parts. 50% of the sanctioned loan is released immediately after sanction and execution of necessary loan documents by the NGOs. The total no. of beneficiaries is updated against sanction of loan.

The key findings of the impact study conducted by (Indian Society for Agree-Business Professionals) ISAP:

General Statistics:

- Members of the groups were mostly (57 per cent) women from BPL families.
- Majority (72 per cent) of the beneficiaries falls in the age group of 26 to 35 Yr. & 36 to 45 Yr which revealed that RMK loan has covered vigorously young workforce.
- RMK micro financing in the rural areas under study had a positive impact on backward classes of the society as 46 per cent of the OBC, 22 per cent of scheduled caste & 11 per cent of Scheduled tribe population had been covered under RMK loan.
- As far as the educational background of the beneficiaries were concerned, 35 per cent of the beneficiaries were found to be illiterate and 26 per cent were reported to have primary education which further revealed that RMK had given loan to less educated population who otherwise would not have got government or private job.
- The percentage of literacy of the children of the beneficiaries has increased which was one of the clear indicators of the positive impact of RMK loan on the livelihood of the women.
- Almost all beneficiaries (SHG members) were involved in the thrift activities of the group to further lend the collected money or saving to other members at the time of urgent need of the money. However, this activity is less popular in Rajasthan

Employment impact:

- The survey indicated active involvement of beneficiaries in different kinds of self-employment generating microenterprise activities such as Dairying, Animal Husbandry, petty shop, flower business, teashop, tailoring, beauty parlour, weaving, knitting, basket making etc.
- 56 per cent of the beneficiaries were employed in dairy activities while 14 per of beneficiaries were involved in agriculture & allied activities. 20 per cent of beneficiaries were involved in various small trade activities like flower business, bangle shop, tailoring, shop keeping etc. followed by 8 per cent of beneficiaries being involved in handloom/handicraft activities. Some of the beneficiaries had taken loan for house construction, consumption purpose like education, marriage & other religious events and also for group activities like thatch making, agarwati making etc.
- The average net income per member before taking RMK loan worked out to Rs 1847 while it has increased to Rs 2978 in Post-RMK period. There was a shift in the distribution of members from the lower income slab to a higher income slab after taking RMK loan.

Social impact:

- The average savings per member per annum before joining the SHG was Rs 1961, which has increased to Rs2993 after becoming the members of the SHGs. Prior to RMK loan most of the savings was done in banks. However, after taking RMK loan, 82 per cent of the total savings are being done with the SHGs.
- Only 11.78 per cent of the beneficiaries could able to save between Rs 1000 to 3000 before taking RMK loan. After taking RMK loan 72.78 per cent of the beneficiaries could able to save between Rs 1000 to 3000 .
- Women members association with the SHGs significantly improved their asset creation. There has been an increase in the assets of sample members by 94 per cent after becoming members of the SHGs. The frequency distribution of sample members shows that there was a shift in the pattern of holding of assets after they became members of the SHGs

- 95 per cent of the beneficiaries agreed that their personal capacities have improved as they have earned self-respect and they have active participation in imparting suggestion in household matters after availing RMK loan. They were able to take decisions in business matters, children's education & family matters.
- 84 per cent of the beneficiaries admitted that there was no domestic violence in the households.
- An analysis of the data indicates that alcoholism/drug addiction (mentioned by 40.2 per cent of the beneficiaries), poverty (mentioned by 31.9 per cent), and generation gap with in-laws (18.5 per cent) were some of the important reasons for the occurrence of domestic violence in the families.
- The incidences of domestic violence drastically reduced to 16 per cent in post-RMK period as against 64 per cent in pre-RMK period.
- Violence by husband as well as in-laws/relatives also came down drastically after availing loan through RMK. . The collected data shows that in the pre-RMK period, violence by husband was reported by 50 per cent of the beneficiaries which came down to 10 per cent in the post-RMK period
- 71 per cent of the beneficiaries admitted that their relationship in the family has improved after joining SHG. 5 per cent of them admitted that sometimes improvement was experienced while 24 per cent admitted that there was no improvement in their relationship in the family after availing RMK loan.
- Awareness about protective laws against domestic violence increased from 19 per cent in pre-RMK period to 23 per cent after availing RMK loan.

Consumption impact:

- Consumption expenditure per month per member was Rs 2345 before taking RMK loan, increased to Rs. 4097 after taking RMK loan. The expenditure on food accounted for Rs.1102 before taking RMK loan has increased to Rs. 1597 after taking RMK loan. The proportion, of expenditure on clothing (from Rs. 351 to Rs. 655), education (from Rs. 375 to Rs. 942) and health (Rs. 351 to Rs.532) has increased after taking RMK loan.
- There was a noticeable change in the consumption pattern and better household nutrition through SHG activities. Food items were purchased once in a week or once in a month collectively rather than on daily consumption basis. The financial mobility due to participation in the SHG has led to the improvement in the quality of life.
- Majority (95 per cent) of the beneficiaries had improved their usage of medical facility after seeking RMK loan.