

**Evaluation Study of Vehicle Loan Scheme,
Sponsored by National Schedule Tribe Financial
Development Corporation (NSFDC) New Delhi**

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PROBLEMS, CONCLUSIONS AND SUGGESTIONS

There has been a big gap found between well planned and well co-ordinated schemes and programmes and their objectives if examined in an un-biased way. As such, these schemes and programmes have been based on policies suggested by the policy makers and properly worked out by the planners and they have been accepted because of being in tune with the policies of political parties and particularly the party in power and the administrative machinery is also sincere to larger extent, and there has been proper administrative set-up for their implementation and the financial resources are also showing positive signs.

The loan scheme sponsored by the National Schedule Tribe Financial Development Corporation (NSFCD), New Delhi is a significant welfare scheme. An effort has been made in this evaluation study to understand some of the basic problems that come in way of availing of the benefits of the scheme by the scheduled tribe people which is the focal group for benefits of the scheme. The study also intends to find out the problems faced by administrators in proper implementation of the scheme.

Problems faced by beneficiaries as they percieve :

During field work for this evaluation study, the beneficiaries have narrated some difficulties faced by them. We examine them one by one :

One beneficiary wanted a 'Commander' Jeep vehicle. When he went to Ahmedabad to take a delivery, he was told that only close-body model is available. He, in fact, wanted an open-body vehicle so that it could be used both as a passanger vehicle and as a carrier van. He said that a close body vehicle is of no use to him, because it can accomodate only limited number of passangers and thereby he can hardly meet the fuel cost, and no profit could be earned. In an open vehicle, some 15-20 passangers could be accomodated and some luggage articles also could be carried and more income can be earned. Some other problems were also narrated as below :

- (1) If the vehicle is provided through or supplied by a dealer in Mehsana, then for any problem, one has to go to Mehsana, Even for regular free services, one has to go to Mehasana.
- (2) Another beneficiary reported that he had to go to Nadiad for delivery of vehicle. The dealer bluntly said that we donot manufacture the vehicle. You will have to take delivery 'as it is'. In fact, the vehicle offered to me had some plates lost and the tyres were also defective. He said that he wrote to General Manager at Chennai Head Office, but the tyres were not replaced.

- (3) All-India permit is not provided. Therefore, passengers cannot be taken to other states and have to satisfy with local tours only.
- (4) When a single instalment is missed, the beneficiary gets notice from the Gandhinagar Office. They don't care to see our difficulties and simply issue notices.
- (5) There is harassment by traffic police also. They want regular instalments.
- (6) We have been put to loss after taking a vehicle. We feel that we should not have gone for this scheme. The vehicle has made our life full of difficulties. We cannot earn enough to meet the cost of even driver and fuel. We feel that we should dispose it of.
- (7) The vehicles are not provided as per requirement of beneficiaries. It seems the rejected or wastage pieces are used for beneficiaries of Government Scheme e.g. when we select model 1210; they provide us model 1510, which gives lesser average and consumes more fuel.
- (8) The accident compensation is much less.
- (9) It is difficult to obtain the recommendation from MLA and a Certificate from village Talati.
- (10) At the time of accident, neither a dealer nor an insurance company, nor the corporation come at the rescue of the beneficiary. With the result, a beneficiary is put to great financial loss. At times, he has to dispose of his land and property to compensate the loss.
- (11) It is difficult to get the vehicle received under the scheme being passed at RTO. Whereas RTO provides facility of one-time tax to private vehicle-owner, he insists to collect tax from us on annual basis.
- (12) Instead of providing vehicle through a dealer in nearby town, we are asked to take delivery from a distant place, say Mehsana or Ahmedabad from a distant place of Chikhli.
- (13) No complains are redressed after giving delivery of the vehicle. Both the Corporation and Dealer are equally apathetic.

Suggestions made by beneficiaries for better implementation of the scheme of providing loan for purchase of vehicle by NSFDC.

During this evaluation study, the beneficiaries of the scheme from different districts were asked about their difficulties in availing of benefit of the scheme and thereafter in paying of instalments. We had also asked them to give their suggestions. We also contacted the implementing officers of this schemes and requested for their suggestions also so that the difficulties faced by the beneficiaries could be lessened. We will examine them in due course of time.

The suggestions were called for from the beneficiaries for better implementation of the scheme. Following were the response :

- * 30% suggested to give subsidy
- * 13.33% suggested to enhance the amount of loan
- * 12.67% suggested remove the interest
- * 12.67% suggested reduction the interest rates
- * 10.00% suggested to charge interest at gradually reducing rates
- * 8.00% suggested to exempt from penal interest during draught etc.
- * 7.00% suggested to get the vehicle passed in RTO by the Corporation/Agency
- * 7.00% suggested to give delivery of vehicle from taluka H.Q. of the respective taluka of beneficiary's residence.

Findings of the Study :

The findings which should be derived from the field work process or after classification of data are mentioned below :

- (1) The more number of beneficiaries were Dungari Garasiya (33.33 percent) and Rathwas (32.66 percent).
- (2) The number of beneficiaries were more in age group of 25 to 35 years. They accounted for 50.67 percent.
- (3) Most of the beneficiaries (88.67 percent) were associated with occupation of agriculture.
- (4) 66.67 percent of the beneficiaries were land holders.
- (5) 32 percent of the beneficiaries had taken their education upto secondary school level.
- (6) Among the beneficiaries, 56 percent stayed in pucca house and 44 percent stayed in Kutcha house. 75 percent of beneficiaries stayed in one-room accomadation.
- (7) 58.66 percent of beneficiaries had no water connection facility in their house; 67.44 percent of them had no toilet/latrline in their house and used to squate in open place. Of course, 94 percent of them had facility of electricity in their houses.
- (8) There were 57.75 percent male and 48.25 percent females in their families.
- (9) 14.90 percent of male and 37.77 percent of female were totally illiterate in the

families. 53.50 percent of male and 33.17 percent of female had completed their education, 31.60 percent of male and 29.06 percent of female were in the educational institutions, taking their education. The women were educationally backward.

- (10) 88.67 percent of members were involved in agricultural activities.
- (11) Only 12.67 percent of beneficiaries were under debt. The purpose of taking loan etc. was for agriculture purpose or for repayment of loan instalments.
- (12) Most of the beneficiaries reported that they have adequate information about the scheme, and that they get the information from the office.
- (13) Among the beneficiaries most of them had preferred to buy a jeep or a tractor.
- (14) 93 percent of the beneficiaries mentioned that the amount provided under the scheme is inadequate.
- (15) 66.67 percent of beneficiaries suggested that some amount of subsidy be provided under the scheme, and 92 percent of them suggested the amount of subsidy to the extent of 25 percent.
- (16) A question was asked to the beneficiaries whether any change is required in the structure of the scheme. 79.33 percent replied it to be okay. The changes they suggested that the amount should be provided on personal basis, that some amount of subsidy be provided; that government should get the vehicle passed in RTO; and that no notice be issued without knowing the reasons for delay in repayment of instalment.
- (17) The scheme has resulted in income enhancement in case of 82 percent of respondents; and improvement of standard of living i.e. living style, educational and social improvement etc. in case of 78.67 percent of respondents.
- (18) Most of the beneficiaries repay their loan instalments regularly. If however, there are some lapses, it would be due to two years' continuous draught and failure of crop.
- (19) 61.33 percent of beneficiaries suggested that some relief should be provided in recovery of remaining instalments.
- (20) In response to the question, whether this scheme should be continued or not, 98 percent of respondents opined that the scheme should be continued because it provides employment and economic benefit to the educated unemployed persons.

Administrative defects :

- (1) Instead of giving the delivery of vehicle from the nearby dealer, he is required to go to the dealer at far off place. Thus he is subjected to additional expenditure of bringing the vehicle from distant place alongwith the risk involved in the process.
- (2) Usually the vehicle is not as per beneficiary's choice and requirement in terms of model and body/structure. Any type of vehicle is imposed on him as if beggars have no choice.
- (3) After providing the vehicle, the department or administration does not take any interest in getting the difficulties of beneficiaries solved. The beneficiary is placed at the mearcy of a declaer and the decler also doesnt care because he has collected the amount directly from Corporation in advance.
- (4) The Corporation doesnt show any interest in helping the beneficiary after delivery of a vehicle, in issues such as those related to dealer, those related to insurance claim, those related to RTO passing etc. etc.
- (5) During field work, it was observed that a number of issues regarding vehicle loan provided by NSFDC were yet unresolved.
- (6) The arrangement should be made so that the loan repayment instalments can be paid at Taluka level.
- (7) The approach of Government seems to be rather professional. Even when there is lapse of one single instalment, the warrants are issued, penalty is levied and all such expenditure are on poor beneficiary. At times, he has to hire the services of an advocate, and has to entre into big amount of expenditure. The basic objective of helping a poor is lost sight of.
- (8) The administration should take the interest in resolving the problems of beneficiaries as much it takes in recovery of loan.

Suggestions :

- (1) The Corporation should issue a certificate to the beneficiary so that an All India Permit is issued by RTO in respect of vehicles provided through NSFDC loan.
- (2) If a vehicle has been used for Government purpose such as famine relief work etc., then the amount of rent, it not paid to him in cash, it should be credited to his loan account.
- (3) The RTO office should be instructed to pass the vehicle provided through the

Corporation without much delay; or the responsibility of RTO passing should be entrusted to dealer.

- (4) RTO should collect one-time tax for vehicles supplied through the Corporation as in case of other private vehicles, so that the beneficiary is relieved of the responsibility of paying tax annually.
- (5) Arrangement should be made to make home delivery of these vehicles, or arrangement should be made for delivery from the nearest place.
- (6) It is better if the amount of loan is paid through individual cheque to beneficiary. This can check corruption.
- (7) The rate of interest on loan should be reduced.
- (8) All the arrangements for providing loan, its distribution and its recovery should be done at taluka level.
- (9) The recovery instalment for tractor should be made six-monthly instead of quarterly.
- (10) If the vehicle is supplied from the taluka level, the beneficiary can have better communication with local dealer, can get services as per requirement and can save time and fuel consumption.
- (11) The vehicle should be according to choice / preference of a beneficiary.
- (12) The approach of Government seems rather professional. They issue warrant where even single instalment is lapsed. The tribal beneficiaries get frightened and he is put to unnecessary economic loss. The legal proceedings should start only after lapse of two instalments and that too, after finding out the cause of lapses.
- (13) The RTO passing should be as a Taxi rather than Maxi. Maxi passing involves tax to the extent of Rs. 2,000/- p.m.
- (14) Priority should be given in giving benefit of the scheme to the tribal youth who has registered his name in Employment Exchange.
- (15) If such beneficiaries are not available, then the names should be called from the Employment Exchange officer and thereafter only the other youth should be provided the benefits.
- (16) It is good that the advertisement of the scheme is given in news paper. Such advertisement should be given in T.V. and Employment News letter also.
- (17) There should not be any political interference in implementation of the scheme.

- (18) Besides the suggestions have been received from the respondents about the improvement in the scheme such as giving a subsidy, removing interest on loan, collecting interest at reduced rate, getting vehicle passed in RTO, fine should be exempted in famine/draught situation and delivery of van to be provided at Taluka place etc.

Change in structure of the Scheme :

During field work, it was specifically asked to the beneficiaries whether the structure of the scheme needs any change and if yes, what kind of change should be introduced in the scheme. In response to this question; most of the respondents had opined that the present structure of the scheme is okay; but some of the respondents suggested for some changes :

- (1) The structure is okay; but there should be some speed in its implementation.
- (2) Some arrangement should be made so that the beneficiary can deposit his loan amount at taluka place.
- (3) When the beneficiary repays his amount by cheque or cash; it should be recorded in his diary also; so that there is transparency in accounts and the beneficiary can also work out how much he has paid and how many instalments have remained outstanding.
- (4) The beneficiary should be given vehicle of his own choice and requirements.