



ISSN 2278 – 0211 (Online)

Role of Backward Classes Finance and Development Corporation in Upliftment of Backward Classes in Himachal Pradesh, India

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Abstract:

The economically and socially backward classes are categorized as Other Backward Classes. The present study is an attempt made to study Other Backward Classes in Himachal Pradesh and to study the role of Himachal Backward Classes Finance and Development Corporation (HBCFDC) in development of Other Backward Classes in Himachal Pradesh. Different loan schemes are discussed and achievements of the corporation are explained.

Keywords: HBCFDC, NBCFDC, OBCs, SCAs, SHGs, NGOs.

1. Introduction

Other Backward Classes (OBC) is a collective term given by the Government of India to classify castes which are socially and educationally backward. The OBCs were found to comprise 52% of the country's population by the Mandal Commission report of 1980, a figure which had shrunk to 41% by 2006 when the National Sample Survey Organization took place. In the Indian Constitution, OBCs are described as "socially and educationally backward classes". The list of OBCs maintained by the Indian Ministry of Social Justice and Empowerment is dynamic, with castes and communities being added or removed depending on social, educational and economic factors.

Sr. No.	Name of District	Population of OBC	
		Population	Percentage
1.	Bilaspur	20106	2.17%
2.	Chamba	11853	1.28%
3.	Hamirpur	72626	7.83%
4.	Kangra	518897	55.94%
5.	Kinnaur	0	0
6.	Kullu	5749	0.62%
7.	Lahaul-Spiti	00	00
8.	Mandi	36046	3.89%
9.	Shimla	20906	2.25%
10.	Sirmour	63643	6.86%
11.	Solan	38477	4.25%
12.	Una	139239	15.01%
	Total	927452	100%

Table 1: District Wise Population of Backward Classes in Himachal Pradesh

2. Review of Literature

➤ Menon, K.S.V., (1979) in his work "Development of Backward Areas (through Incentives), made an attempt to discuss the major issues which govern the development of backward areas through incentives'. He included every aspect related to the development of backward areas and also studied that which section and area can be classified as backward areas.

➤ Hanumantha, Yappal and Deepak Grover, (1979) conducted a study on employment planning for SC and ST. This study aims at to study the problems of employment and unemployment among the weaker sections of the community, particularly SC and ST and the various attempts made by the government to improve their living and working conditions. The SC and ST are concentrated on small holdings and agricultural labourers, the wage rate is low as compare to other weaker sections of the society. The rate of unemployment is high among the ST. The problem of unemployment can be solved by providing relief measures by the government.

➤ Sengupta (1979) made the observation that the poor and needy tribals have remained at the 1947 levels as worse, since for the last 30 years their quest has been as usual for food and the appeal of utilization of educational and economic incentives has not reached them. He further revealed that the provisions for the upliftment of the rural people has benefited the headman and few of his relatives. The official has had a hand in exploiting the poor tribal in collusion with the tribal elite.

2.1. Need of Study

The present study is being conducted to understand the working of Backward Classes Finance & Development Corporation in Himachal Pradesh and to study the role played by the Himachal Backward Classes Finance & Development Corporation in the development of backward classes of the state. The need for this study is felt to know whether this Corporation is able to meet the objectives basically for which it was established.

2.2. Scope of Study

To analyze the performance of Backward Classes Finance & Development Corporation in Himachal Pradesh The present attempt will be made to measure the role played by HBCFDC in the development process of backward classes through various schemes.

2.3. Objectives of the Study

1. To study the role of Himachal Backward Classes Finance & Development Corporation in economic, social and educational upliftment of backward classes in Himachal Pradesh.
2. On the basis of above study to make conclusions and recommendations for the future policies related to Corporation and upliftment of Backward Classes.

2.4. National Backward Classes Finance and Development Corporation

NBCFDC was incorporated under Section 25 of the Companies Act 1956 on 13th January 1992 as a Company not for profit with an objective to promote economic and developmental activities for the benefit of Backward Classes and to assist the poorer section of these classes in skill development and self-employment ventures. NBCFDC provides financial assistance through State Channelizing Agencies (SCAs) nominated by the State Governments/UTs. NBCFDC also provides Micro Financing through SCAs/ Self Help Groups (SHGs). The Corporation can assist a wide range of income generating activities to assist the poorer section of these classes in skill development and self-employment ventures under following broad sectors such as Agriculture and Allied Activities, Small Business, Artisan and Traditional Occupation, Technical and Professional Trades/Courses, Transport and Service Sector etc.

2.5. Objectives of NBCFDC

- 1) To promote economic and developmental activities for the benefit of Backward Classes.
- 2) To assist, subject to such income and/or economic criteria as may be prescribed by government from time to time, individual or groups of individuals belonging to Backward Classes by way of loans and advances for economically and financially viable schemes and projects.
- 3) To promote self-employment and other ventures for the benefit of Backward classes.
- 4) To grant concessional finance in selected cases belonging to Backward Classes living below double the poverty line.
- 5) To extend loans for Backward Classes for pursuing general/professional/technical education or training at graduate and higher level.
- 6) To assist in upgradation of technical and entrepreneurial skills of Backward Classes for proper and efficient management of production units.

2.5.1. Himachal Backward Classes Finance and Development Corporation

Himachal Backward Classes Finance & Development Corporation (HBCFDC), a Government of Himachal Pradesh Undertaking was set-up on 31st January, 1994 as a Company under Section 25 of the Companies Act, 1956 with an authorized share capital of Rs.10 Crores.

3. Role of Backward Classes Finance and Development Corporation in Upliftment of Backward Classes in Himachal Pradesh

The main objective of the Corporation is Social, Economic and Educational upliftment of the persons belonging to the backward classes of Himachal Pradesh whose annual family income is below Rs. 40,000 for the families in rural areas and Rs. 55,000 for families residing in urban areas. The main objectives of the corporation are:

1. To do and undertake the task of social economic and educational upliftment of the socially and educationally backward classes and economically weaker sections in the state.
2. To arrange training programmes for the promotion and improvement of literacy, education and professional skills of the aforesaid classes and sections so as to promote their social and economic development and also to collect, compile and publish the related data for the aforesaid classes and sections.
3. To provide and arrange financial assistance and professional know-how to the aforesaid classes and sections for their co-operatives and other organizations undertaking agricultural development, animal husbandry, marketing, processing supply and storage of produce, small village and cottage industries and other self-employment programmes.

4. To co-ordinate with the financial institutions, sectoral department and other related bodies for arranging maximum facilities to the eligible beneficiaries and to co-ordinate, monitor, inspect and control the activities of the individual beneficiaries who are inducted to the corporation and for whom the loans have been arranged by it.
5. To provide facilities for conducting surveys and research studies of problems related to cottage and village industries, small business, to assess potentialities of village and cottage and small scale industries and scope of their development with a view to promote such industries and business for purpose of providing employment opportunities to the aforesaid classes and sections.

The Corporation is functioning as a Channelizing Agency of the National Backward Classes Finance & Development Corporation which is an apex level finance & Developmental institution set up by the government of India to assist the persons belonging to Backward Classes as notified by the government by way of loans and grants subject to such income and economic criteria as may be prescribed by the government of India from time to time. National Backward Classes Finance and Development Corporation grants concessional financial assistance for wide range of activities under agriculture and allied activities, artisan and traditional occupations, technical trades and self-employment, small business, small scale industries, transport services etc. However, the NBCFDC does not sanction loan to the entrepreneurs direct but through the HBCFDC on the guarantee of state government. It is the HBCFDC which identifies the beneficiaries, formulates viable projects for the approval of the NBCFDC, raises loan from the NBCFDC for disbursement to the entrepreneurs and is responsible for timely recovery of principal and interest from the entrepreneurs and repayment to the NBCFDC.

The Corporation is working for Social, Economic and Education upliftment of the people belonging to the backward classes of Himachal Pradesh. HBCFDC provides facilities to those whose annual family income from all sources is below Rs. 40000 in rural areas and is below Rs. 55000 for the families residing in urban areas and the age between 18 to 55 years. The Corporation raises loan from NBCFDC against the project profiles of different schemes. At present 85% project cost is borne by the NBCFDC, 10% by the HBCFDC and balance 5% is the share of the beneficiary. In case of loan under Swarnima scheme 95% of the project cost is borne by the NBCFDC and remaining 5% by the HBCFDC. HBCFDC provides educational loan to the students of backward classes living well below the poverty line or whose family income is less than Rs. 40000 in rural area and Rs. 55000 in urban areas (for pursuing professional/ technical education at graduate and post graduate level). The rate of interest is 4% per annum to the beneficiaries. The loan limit per student is Rs.125000 per year subject to maximum of Rs. 500000 or actual expenses for the entire course.

The Corporation also provides interest free study loan to the deserving poor students with having their annual family income up to Rs. 36000 for pursuing technical and higher degree/ diploma courses beyond high school stage at Rs. 10000 per year or maximum Rs. 50000. The Corporation is providing loan to promote micro finance scheme for improvement of credit facilities for target groups, especially for women beneficiaries. The Corporation has adopted micro finance through self-help group (SHG's). The loan up to Rs.25000 per beneficiary is given under this scheme. The corporation also provides loan to eligible beneficiaries for their self-employment ventures.

The Corporation takes security either in shape of land, mortgage deed amounting to 95% of the project cost or FDR/ NSC/ KVP amounting to 50% of the total project cost or guarantee for the loan from a govt. servant against proposed loan schemes. The Corporation is holding awareness camps in the backward classes' dominated areas at the block level and also covering the other districts of the state where there is scarce backward classes population. For the purpose of holding awareness camps, services of NGOs like ASRA, SWDAN, ASA etc. have been enlisted. The Corporation will provide technical training for skill up gradation of already benefited members of backward classes under various schemes with the financial assistance of NBCFDC. The Corporation has also conducted special surveys of Malana revenue estate in District Kullu, where the populace has been declared as backward classes as a whole for identification of activities and beneficiaries to be covered under the special NBCFDC Finance.

The Corporation is also conducting surveys in respect of 12 panchayats comprising of "Chohar-Ka" that is the inhabitants of chohar valley in Mandi district with a view to identify local needs and eligible beneficiaries to be covered under the special NBCFDC Finance. The HBCFDC has so far sanctioned loan to 2740 beneficiaries amounting to Rs. 2,75,196,962 under various schemes. Besides two and fifteen beneficiaries have been benefited under the new NBCFDC educational loan scheme and interest free study loan scheme respectively. The Corporation grants term loan for projects to be financed entirely by loans from NBCFDC, the HBCFDC besides the beneficiaries' contribution. The beneficiaries under swarnima scheme, which is exclusively for women beneficiaries, are charged interest @ 4% per annum. The govt. of Himachal Pradesh had also made a budgetary provision of Rs. 1.00 lakh under the head 6225-190-01 (Interest free study loan) for providing interest free study loan to the students of notified backward classes whose family income is below Rs. 36000/- per annum. The amount of the loan is Rs. 10,000/- per annum and maximum Rs. 50000/- for the entire course. This loan is to be given for pursuing higher technical and other professional course for degree, diploma and other certificate courses beyond high school stage in govt. or approved institutions. The amount of loan is recoverable in five years. The recovery is to commence one year after the date of completion of the course or date of employment whichever is earlier. The Government of Himachal Pradesh released Rs. 1.00 lakh on 31st march, 1998, Rs. 1.00 lakh during the year 2000-2001, Rs. 1.00 lakh during the year 2002-03, 2003-04 and Rs. 1.00 lakh during the year 2004-05 under the head "Interest Free Study Loan".

This Corporation with the help of NBCFDC can sanction following types of loan assistance for the upliftment of backward classes in Himachal Pradesh.

3.1. Term Loan

Term loan is granted for projected to be financed entirely by loans from NBCFDC, the HBCFDC besides the beneficiary's contribution. The share of NBCFDC is upto 85% and that of HBCFDC upto 10% of the project cost subject to maximum of Rs.5 lakhs per beneficiary. The person belong to backward classes of Himachal Pradesh are eligible to avail loan facility whose family income does not exceed Rs.40000/- per annum in rural areas and Rs.55000/- per annum in urban areas. The rate of interest is 6% per annum.

3.2. Margin Money Loan

Himachal Backward Classes Finance & Development Corporation has launched many schemes for the upliftment of the backward classes in Himachal Pradesh such as:

3.2.1. General Loan Scheme

The Corporation provides loans to the eligible beneficiaries upto Rs.5:00 lakh at a lower rate of interest i: e. 6% per annum under sectors i: e. small business sectors, agriculture and allied sector, transport sector and service sector for 58 schemes against general loan scheme as approved by the NBCFDC, New Delhi. The loan amount of each project is shared @ 85% by the NBCFDC, 10% by the HBCFDC and the remaining 5% by the beneficiaries. The loan is repayable in 5 years in 20 equal quarterly instalments.

3.2.2. Swarnima Loan Scheme

The Corporation also provides loans to women beneficiaries of backward classes who belongs to below poverty line families under Swarnima Scheme for Dairy Unit (2 cattle) and Small Business at a still lower rate of interest of 4% per annum as approved by the NBCFDC, New Delhi. The loan is repayable in 5 years in twenty equal quarterly installments.

3.2.3. New Educational Loan Scheme

The loan is also given to eligible Other Backward Classes students for pursuing Professional Degree Courses to the extent of Rs.1.25 lakh per year upto a maximum limit of Rs.5 lakhs for four years against New Educational Loan Scheme at a still lower rate of interest i: e. 4% per annum as approved by the NBCFDC, New Delhi. The loan amount is repayable in 5 years in 20 quarterly installments. The repayment is effected after six months from the date of completion of course or after three months of getting employment, whichever is earlier.

3.2.4. Interest Free Study Loan Scheme

The Corporation also provides interest Free Study Loan @ Rs.10000 per year, with a maximum limit of Rs.50000 for full term to the deserving poor students (whose annual family income does not exceed Rs. 36000) for pursuing technical and higher degree/diploma courses beyond High School stage. The loan is repayable in 5 years in 20 equal installments. The repayment is effected after one year from the date of completion of course, or after getting employment whichever is earlier.

3.2.5. Skill Up-Gradation/Capacity Breeding Development Programme

The Corporation is also providing training through government institutions/Semi- Government Institutions/HIMCON or NGOs etc. on latest techniques for the successful utilization of loans to the people of other backward classes in various trades i: e. Dairy Farming/Bee- Keeping/Beauty Parlour/Tourist Guide, Mobile Repairs etc. consisting a batch of 30 beneficiaries under each skill up-gradation/development programme at different places/ Districts. The NBCFDC is providing funds under this programme.

3.2.6. Awareness Camps

For wider publicity of the schemes approved by the NBCFDC, New Delhi under different sectors, the corporation organizing Awareness Camps by own as well as through NGOs district-wise at various places from time to time. The NBCFDC, New Delhi is also providing funds for this purpose.

Sr. No.	Name of Scheme	Project cost (Rs.)	Promoter's Share (Rs.)	Term Loan(Rs.)
A.	SMALL SCALE BUSINESS			
1.	Welding Shop	50,000	2,500	47,500
2.	Medicine Shop	50,000	2,500	47,500
3.	Meat Shop	50,000	2,500	47,500
4.	Stationary	50,000	2,500	47,500
5.	Book Shop	50,000	2,500	47,500
6.	Foot Shop	50,000	2,500	47,500
7.	Fruit & Vegetable Shop	50,000	2,500	47,500
8.	TV-Electrical Repair Shop	50,000	2,500	47,500
9.	Grocery Shop (Karyana)	50,000	2,500	47,500
10.	Sweet Shop	50,000	2,500	47,500
11.	Foot Wear Shop	50,000	2,500	47,500

12.	Confectionary Shop	50,000	2,500	47,500
13.	Garment Shop	50,000	2,500	47,500
14.	Tea Stall	50,000	2,500	47,500
15.	Sheet Metal Workshop	50,000	2,500	47,500
16.	Handloom Unit	50,000	2,500	47,500
17.	Ready Made Shop	50,000	2,500	47,500
18.	Tent House	1,20,000	6,000	11,400
19.	Typing Institute	1,00,000	5,000	95,000
20.	Cable TV-Dish Antina	1,00,000	5,000	95,000
21.	Photo Copier Unit	1,20,000	6,000	11,400
22.	Hotel Restaurant	1,00,000	5,000	95,000
23.	Flour Mill	50,000	2,500	47,500
24.	Carpenter Unit	50,000	2,500	47,500
25.	STD/ PCO	50,000	2,500	47,500
26.	Dhaba Unit	50,000	2,500	47,500
27.	Barbar Shop	25,000	1,250	23,750
28.	Tailor Shop	50,000	2,500	47,500
29.	Hair Cutting Saloon-A	50,000	2,500	47,500
30.	Lath Works Shop	1,50,000	7,500	1,42,500
31.	Cyber Café	1,00,000	5,000	95,000
32.	Steel Industry	1,00,000	5,000	95,000
33.	Battery Charging Unit	1,00,000	5,000	95,000
34.	Pickles Unit	1,00,000	5,000	95,000
35.	Chappal & Foot Wear Shop	1,00,000	5,000	95,000
36.	Ready Made Garments	1,00,000	5,000	95,000
37.	Auto Repair Workshop	50,000	2,500	47,500
B.	AGRICULTURE & ALLIED			
38.	Honey Bee-Keeping(25 Hives)	40,000	2,000	38,000
39.	Honey Bee-Keeping(50 Hives)	87,000	4,350	82,650
40.	Honey Bee-Keeping(75 Hives)	1,23,000	6,150	1,16,850
41.	Dairy Farming (3A)	40,000	2,000	38,000
42.	Tractor-Trolley	2,92,000	14,600	27,740
43.	PackAnimals (2 Mules)	35,000	1,750	33,250
44.	Milk Products	1,25,000	6,250	1,18,750
45.	Commercial Sheep Farming	1,00,000	5,000	95,000
46.	Commercial Goat Farming	1,00,000	5,000	95,000
C.	TRANSPORT SECTOR			
47.	Auto-Rickshaw (Petrol)	82,000	4,100	77,900
48.	TATA-709	4,79,000	23,950	4,55,050
49.	TATA-407	4,13,000	20,650	3,92,350
50.	TATASumo (Taxi)	4,26,000	21,300	4,04,700
51.	Maruti- Van (Taxi)	2,43,000	12,150	2,30,850
52.	Jeep-Taxi	4,10,000	20,500	3,89,500
53.	Jeep-Goods Carrier	3,88,000	19,400	3,68,600
54.	Plying Auto Rickshaw	1,65,000	8,250	1,56,750
D.	SERVICE SECTOR			
55.	ServicingUnit (Shuttering)	1,90,000	9,500	1,80,500
56.	AutoMobileWorkshop	2,30,000	11,500	2,18,500
57.	Electrical, Servicing and Repair Shop	1,00,000	5,000	95,000
58.	Denting & Painting of Vehicles & Domestic Gadgets	1,00,000	5,000	95,000
E.	UNDER SWARNIMA SCHEME			
59.	Dairy Farming (2A)	28,000	—	28,000
60.	Small Business	50,000	—	50,000

Table 2: List of Various Loan Schemes
Source: official documents of the corporation.

3.3. Eligibility Criteria

1. The beneficiary should be permanent resident of Himachal Pradesh.
2. He should belong to any of the Backward Classes.
3. His age should not be less than 18 years and more than 55 years.
4. He should not be defaulter of any Bank/Loan providing agency/Financial Institution.
5. His family income from all sources should be less than Rs. 40,000 in Rural areas and Rs. 55,000 in Urban areas.
6. Driving license is required for obtaining loan under the Transport Sector.

3.4. Security for loan to be given to the Corporation

Land Mortgage Deed amounting to 95% of the total project Cost, FDR/NSC/KVP amounting to 50% of the Total Project or Guarantee for the loan from a Govt. Servant.

4. Achievements of the Corporation

4.1. Funds received against BGG (Block Govt. guarantee) of Rs. 15.00 Crore from the NBCFDC, New Delhi & Repayment to the NBCFDC on Quarterly Installments Including Interest by the HBCFDC

Year	Funds received from NBCFDC (Rs. In Lakh)	Amount repaid to NBCFDC (Rs. In Lakh)		Total (Rs. In Lakh)
		Principal	Interest	
1993-94 to 2009-10	3179.28	2309.67	429.52	2739.19
2010-11 (as on 31.07.2010)	93.55	39.77	7.96	47.73

Table 3

Source: official documents of the corporation.

Above table represents a clear picture that from 1993-94 to 2009-10 HBCFDC received Rs. 3179.28 lakh from NBCFDC against Block Government Guarantee and during this period a principal amount of Rs. 2309.67 lakh along with interest of Rs. 429.52 lakh was repaid to NBCFDC by HBCFDC, which means in aggregation Rs. 2739.19 lakh were repaid by HBCFDC against the funds received from NBCFDC Rs. 3179.28 lakh during 1993-94 to 2009-10. This also represents that during the year 2010-11 NBCFDC granted Rs. 93.55 lakh to HBCFDC against Block Government Guarantee and the repayment of principal amount Rs. 39.77 lakh and interest 7.96 were received by NBCFDC.

4.2. Disbursement of Loans to the Other Backward Classes Beneficiaries by HBCFDC

Year	No. of Beneficiaries	Loan Disbursed (Rs. In Lakh)	Recovery (Rs. In lakh)
1993-94 to 2009-10	3162 Nos	3176.02	2358.85
2010-11 (as on 31.07.2010)	61 Nos	91.40	94.13

Table 4

Source: official documents of the corporation.

From table no. 4 we can conclude that in the period from 1993-94 to 2009-10 loan of Rs. 3176.02 lakh was disbursed among 3162 OBC beneficiaries and during the same period recovery of Rs. 2358.85 lakh was made and according to secondary data as on 31.07.2010 during 2010-11 61 OBC beneficiaries were disbursed loan of Rs. 91.40 lakh and during this period recovery of Rs. 94.13 lakh was made.

4.3. Disbursement of Interest Free Study Loan (IFSL) to the OBCs beneficiaries by HBCFDC

Year	No. of Beneficiaries	Loan Disbursed (Rs. In Lakh)	Recovery (Rs. In Lakh)
1998-99 to 2009-10	17 Nos.	3.70	2.41
2010-11 (as on 31.07.2010)	NIL	0.05	0.06

Table 5

Source: official documents of the corporation.

Table no. 5 represents that HBCFDC had worked on the scheme of providing Interest Free Study loans to OBCs. Above table represents that during the period from 1998-99 to 2009-10 HBCFDC granted loan of Rs. 3.70 lakh to 17 OBCs against Interest Free Study loan and made recovery of Rs. 2.41 lakh during same period. It also represents that in the year 2010-11 nobody was disbursed any loan against this scheme and recovery was very low that was 0.06 lakh.

4.4. Loan Amount Outstanding as on 31.03.2009 against loanees

The secondary data discloses that an amount of Rs.1936.52 lakh was lying outstanding against the beneficiaries which also includes the interest as on 31.03.2009 and the details for the same are as below:

- a. More than 5 years from the date of disbursement of loan Rs. 1269.64 lakh from 1113 loanees.
Note: 54 ALR cases filed against the defaulter loanees amounting to Rs. 256.39 lakh.
- b. Within repayment period from the date of disbursement of Rs.666.88 lakh.

4.5. Funds lying with HBCFDC in the Banks in the shape of FDR and in Saving Bank Accounts

Year	Funds (Rs. In lakhs)
As on 31.03.2010	391.38
As on 31.07.2010	428.48

Table 6

Source: official documents of the corporation.

From the above table it is analyzed that as on 31.03.2010 Rs. 391.38 lakh and as on 31.07.2010 Rs.428.48 lakh are lying with HBCFDC in the Banks in the shape of Fixed Deposit Reserve and in Saving Bank Accounts.

4.6. Amount Outstanding to be Repaid to NBCFDC, New Delhi on Quarterly Basis

Year	Funds (Rs. In lakhs)
As on 31.03.2010	869.61
As on 31.07.2010	923.39

Table 7

Source: official documents of the corporation.

Table no. 7 represents that as on 31.03.2010 Rs. 869.61 lakh and as on 31.07.2010 Rs. 923.39 lakh is outstanding to be repaid to NBCFDC against the funds granted by them to HBCFDC, against various schemes.

4.7. Staff Position in HBCFDC

Sanctioned posts	Filled	Unfilled
25	17	8

Table 8

Source: official documents of the corporation.

In HBCFDC total sanctioned posts are 25 out of which only 17 are filled and 8 are unfilled, one is of PA and 7 unfilled posts are of clerks.

4.8. Financial Position of HBCFDC

Year	Profit (Rs. In Lakh)
2007-08	357.84

Table 9

Source: official data of HBCFDC

A per records the Corporation earned a profit of Rs.357.84 lakh during the financial year 2007-2008.

4.9. Physical and Financial Targets

Year	Targets		Achievements		Recovery (Rs. In Lakh)
	Physical (Nos.)	Financial (Rs. In Lakh)	Physical (Nos.)	Financial (Rs. In Lakh)	
2009-10	250	307.60	193	270.05	216.07
2010-11 (as on 31.07.2010)	250	307.60	61	91.40	94.13

Table 10

Source: official documents of the corporation.

Above table tells us about the physical and financial achievements for 2010-11 (upto 31.07.10). in the financial year 2009-10 the physical targets was 250 (Nos.) and financial was Rs. 307.60 lakh and achievement was 193 people and Rs. 270.05 lakh in financial terms and a recovery of Rs. 216.07 lakh was made and in the financial year 2010-10 the physical targets was 250 (Nos.) out of which 61 (Nos.) was the achievement and financial target was Rs.307.60 lakh and achievement was 91.40 lakh and recovery for the same year was Rs.94.13 lakh.

5. Conclusion

From the above study it can be concluded that the government has made efforts in order to improve the economic and social status of other backward classes in India as well as Himachal Pradesh. The efforts of laying down the foundation of this corporation have been successful as many people prefer to take loans from HBCFDC and time to time they have been able to return the loan amount which shows a positive graph that their earnings have been improved due to the loans provided by the corporation to needy people. The corporation is working under various schemes and is providing loans under various schemes which have their own parameters. The time of providing the loan is sufficient.

But on the same side it is believed that there is difficulty in understanding the schemes of HBCFDC due to low education qualification and lack of awareness among OBCs, and many formalities are involved for availing loan due to rigid and lengthy procedure of corporation and repayment period of the loan is too short.

6. Suggestions

1. HBCFDC should make the procedure of loan schemes more flexible and there should be minimum delay in disbursing the loan amount.
2. The formalities of loans should be reduced.
3. There is more requirement of efficient dealing at ground level.
4. More loan Schemes should be launched.
5. Corporation should take initiative to spread awareness among these classes about the benefits of these loan schemes.
6. As these people are less educated so the corporation should ease the procedure of providing the loan.

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