

# Delhi Scheduled Caste Finance and Development Corporation

Sabith Ullah Khan

## Functions

The Delhi Scheduled Caste Finance and Development Corporation Limited (DSFDC) was established in 1983 to provide financial assistance for economic development of scheduled caste people living below poverty line in Delhi. Subsequently, the Corporation was nominated as a channelising agency for providing financial assistance to other backward classes, scheduled tribes, minorities and physically handicapped persons. Therefore the new name of the Corporation: Delhi SC/ ST/ OBC/ Minorities/ Handicapped Finance and Development Corporation Limited.

## Findings

- The Corporation had extended a loan of Rs 1.58 crore to scheduled castes during the year 2002.
- Since 2001, scheduled tribes, minorities and disabled have also been included as the beneficiaries of the schemes.
- The Corporation released Rs 111 lac as advance for purchase of taxies without a proper agreement. Of this, Rs 82.45 lac have been blocked with a loss of interest of Rs 64 lac besides unnecessary litigation.
- No system of monitoring exists in the General Loan Scheme to see whether the subsidy has actually generated employment. There was no system to watch recovery of the margin money.

## Reforms

- The Corporation provides grants, consumption loans, and enterprise loans. The grant schemes should be transferred to the newly proposed Individual and Family Welfare Services. The loan schemes would be taken over by the new Cooperative Finance Department.
- Sulabh International has developed a revolutionary two-pit pour flush toilet that costs Rs 500 a piece. Dry toilets can be eliminated completely with this flush toilet and all *safai karamcharis* can be freed from the task of human scavenging.

The Delhi Scheduled Castes Finance and Development Corporation The Delhi Scheduled Castes Finance and Development Corporation Limited (DSFDC) was established in 1983 for financing, facilitating, and promoting economic and educational activities of Scheduled Caste (SC) people of Delhi living Below Poverty Line (BPL). Subsequently, the Corporation was nominated as a channelising agency for providing financial assistance to Other Backward Classes (OBCs), Scheduled Tribes (STs), minorities and physically handicapped persons. Therefore, the new name of the Corporation: 'Delhi SC/ ST/ OBC/ Minorities/ Handicapped Finance and Development Corporation Limited.'

The main sources of funds for the Corporation are the Governments of India and NCT Delhi and other national level organizations. The authorised share capital of the Corporation is Rs 100 crore.

## Organisational Structure

A Board of Directors appointed by the Lieutenant Governor of Delhi manages the affairs of the Corporation. There are nine Directors including the Chairperson. The Board of Directors consists of

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two representatives from the union government, four from state and central government agencies and three eminent public personalities recognised for their services to scheduled castes. The Corporation is headed by a full-time Managing Director who is assisted by a General Manager, one Company Secretary, and five Deputy Managers in its day-to-day affairs. As of 2002, there are about 163 employees working in the Department.<sup>1</sup>

## Activities of the Corporation

The DSFDC runs several schemes for all-round development.

- Formulation of economic development schemes
- Mobilising institutional credit
- Functioning as promoter and catalyst
- Facilitating pursuit of higher/ technical professional education through interest free loans for the deprived sections of society

## Basic Eligibility Criteria Common to All Schemes

- a. Caste certificate issued by the Superintendent District Magistrate (SDM) of the area for SC/ ST/ OBC schemes.
- b. The applicant should be a resident of Delhi for which a permanent ration card or voters identity card issued by the government of Delhi is to be submitted.
- c. Income certificate issued by the concerned SDM.

## Additional Eligibility Criteria

- a. Bonafide driving licence and badge issued by the Transport Department in the transport sector schemes.
- b. The applicant's age should be between 18-60 years except for the transport sector schemes for which the age limit is between 18-45 years.
- c. Bonafide handicapped certificate for availing loan under handicapped schemes.
- d. Project report in all schemes except for transport schemes.
- e. Besides all the above, there are certain additional requirements, which vary from scheme to scheme and are informed at the time of publication of advertisement for inviting applications.

## Schemes

Schemes for SC/ ST

1. Economic development schemes
2. Composite loan scheme
3. Loans in collaboration with NSCFDC
4. Allotment and maintenance of work sheds
5. Training scheme
6. Interest free loan schemes for higher and technical study
7. Computer Footwear Design Centre
8. General loan scheme for self employment for *safai karamcharies*

Table 1 shows the targets and achievements for selected schemes of the DSFDC, over the Ninth Five Year Plan. It is clear that the corporation has failed to achieve its own targets and the targets set for the subsequent Tenth Five Year Plan do not correlate with its past performance. For instance, despite

giving financial assistance to a mere 23 SC/ ST persons (as against the Ninth Five Year Plan target of 600), the target for the Tenth Five Year Plan has been more than twofold.

Table 1: Physical Targets/ Achievements of Schemes/ Projects (No. of Persons)

Economic Development	NFYP Target	NFYP Achievement	TFYP Target
Financial assistance to SC/ ST for self employment through DSFDC (share capital)	16,255	8,908	54,350
Financial assistance to SC/ ST for self employment (for purchase of TSR) through DSFDC	600	23	1,250
Financial assistance to SC/ST for self employment (for purchase of buses) through DSFDC	150	5	250
Financial Assistance for scavengers	8,000	5,229	5,000
Training for scavengers Persons trained in computerised foot wear design centre at Karol Bagh	1,000	671	1,000
Financial help to OBC for their economic upliftment through DSFDC	300	972	750
	750	-	750

Source: Government of NCT Delhi. 2003. Annual Plan 2003-04. Department of Planning

NFYP: Ninth Five Year Plan, TFYP: Tenth Five Year Plan

## Glaring Discrepancies

1. In March 1992, the Government of India introduced a new scheme known as 'National Scheme for Liberation and Rehabilitation of Scavengers and their Dependents.' The scheme envisaged providing alternative gainful/ dignified employment opportunities to those engaged in scavenging. It has not been successful as there are thousands of scavengers even today in Delhi.
2. The Corporation conducted a survey in 1993, to identify scavengers in Delhi, through four independent agencies at a cost of Rs 9.09 lac. The results of the surveys were highly inconsistent and the Corporation merely added the four sets of figures and reported that there were 17,420 scavengers in Delhi. This was done without analysing the reports received from the four agencies or examining the methodology adopted and area covered by them. The Corporation commissioned another survey in 1997 which identified 7,961 scavengers and treated it as a fair and final assessment of scavengers.
3. The CAG Report for the year ended March 2000 cited that out of total margin money of Rs 140 lac disbursed from 1992-93 to March 2000 under the National Scheme for Liberation and Rehabilitation of Scavengers and Their Dependents, a meagre amount of Rs 19.47 lac was recovered.
4. Under the National Scheme for Liberation and Rehabilitation of Scavengers and their Dependents, the Corporation has handed over Rs 4.03 crore and the number of beneficiaries till March 2000 was 3,053. However, as per the estimates in November 1993 of Government of NCT Delhi/ Sulabh International there are three lac bucket privies or open latrines in Delhi. Scavengers would accept the grant, assistance, training but as the latrines will still require to be serviced, they or their children or relatives will continue to practice the same occupation. The above view is supported by

the fact that out of 505 scavengers liberated on 2 October 1992 about 40 percent of them continue to be engaged in this occupation.

Thus, the Corporation though nominated as the nodal agency for monitoring and implementing the scheme in Delhi failed to fully utilise the funds received under the scheme and maintain proper records of the financial assistance provided to the beneficiaries. No follow-up monitoring was conducted to verify whether the beneficiaries returned to the same occupation after availing benefits and the overall success of the scheme. This is true also in the case of transport sector, where the autodrivers who availed of the loans have not paid back the loan due to extra expenditure incurred for conversion from petrol to CNG.

## Reforms

Several other agencies such as the Delhi Financial Corporation and nationalised banks provide personal or commercial grants or loans to specified beneficiaries. The schemes for personal help can be grouped under the proposed Individual and Family Welfare Services. The schemes for business and vocational training can be administered efficiently by the Cooperatives Finance Department, as proposed in the introduction. This reorganisation will help disseminate information about various schemes, eliminate duplication of schemes and would make it easier for beneficiaries to apply.

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## Notes

- <sup>1</sup> Government of NCT Delhi. 2002. *Report on Classification of Employees in Delhi Government, Autonomous/ Local bodies and Delhi Police*

## References

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