

Report of CDS Visit

Name of State Mission Representative- Bhavana.M, State Programme Manager, PMAY

Name of CDS- Neyyattinkara CDS-2

Learnings and observations

- 1.NHG members are taking huge loans from private financial institutions like Muthoot and ISAF at very high interest rates. Availability and accessibility of credit are attracting them towards such institutions, despite the heavy interest rates. Majority of the loans are taken for consumable purposes and they are spending more than half of their income for loan repayments.
2. CDS is initiating steps towards self sufficiency.
- 3.ME units such as Then foods (Groundnut jiggery balls)and Cafeshree are functioning well with high turnover. But they are not getting financial assistance from Kudumbashree. Then foods with a monthly turn over of Rs. 5 lakhs is in need of technology fund assistance for increasing production.
4. Information dissemination on Kudumbashree schemes not happening at NHG level.
5. CDS is focussing on target achievement rather than quality.

Suggestions

1. Financial literacy campaign for assessing their financial position, repayment capacity and access to better financial instruments to save the poor from the debt trap. "Muttathe Mulla" scheme need to be extended to Urban areas as well.
2. A transparent mechanism for disbursal of funds to CDS/ ME units need to be in position. Funds earmarked for ME such as technology upgradation are not given to urban ME units.
3. Special NHGs- To frame guidelines for special NHGs. Possibility of integrating skill training/ income generating options need to be explored.
4. Need to design capacity building programmes for ADS and NHGs.