

**STANDING COMMITTEE ON SOCIAL JUSTICE AND
EMPOWERMENT (2017-2018)**

(SIXTEENTH LOK SABHA)

**MINISTRY OF SOCIAL JUSTICE AND EMPOWERMENT
(DEPARTMENT OF SOCIAL JUSTICE AND
EMPOWERMENT)**

**Impact Analysis of the Micro-Credit Finance Schemes of
the National Scheduled Castes Finance and
Development Corporation (NSFDC)**

FIFTY-FOURTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI
August, 2018/Shrawana, 1940 (Saka)**

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Development Corporation (NSFDC)**

**Presented to Lok Sabha on 09.08.2018
Laid in Rajya Sabha on 09.08.2018**



**LOK SABHA SECRETARIAT
NEW DELHI
August, 2018/Shrawana, 1940 (Saka)**

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**COMPOSITION OF THE STANDING COMMITTEE ON SOCIAL
JUSTICE AND EMPOWERMENT (2017-18)**

SHRI RAMESH BAIS - CHAIRPERSON

MEMBERS

LOK SABHA

2. Shri Kanti Lal Bhuria
3. Shri Santokh Singh Chaudhary
4. Shri Sher Singh Ghubaya
5. Shri Jhina Hikaka
6. Shri Faggan Singh Kulaste
7. Shri Sadashiv Kisan Lokhande
8. Smt. K. Maragatham
9. Shri Kariya Munda
10. Shri Asaduddin Owaisi
11. Dr. Udit Raj
12. Shri Ch. Malla Reddy
13. Smt. Satabdi Roy
14. Kunwar Bharatendra Singh
15. Prof. Sadhu Singh
16. Smt. Mamata Thakur
17. Shri Mansukhbhai Dhanjibhai Vasava
18. Shri Tej Pratap Singh Yadav
- *19. Dr. Karan Singh Yadav
20. Vacant
21. Vacant

RAJYA SABHA

22. Smt. Jharna Das Baidya
- #23. Shri Abir Ranjan Biswas
24. Shri Chunibhai Kanjibhai Gohel
25. Smt. Sarojini Hembram
26. Dr. Narendra Jadhav
- **27. Smt. Kanta Kardam
28. Smt. Vijila Sathyananth
29. Smt. Wansuk Syiem
30. Smt. Chhaya Verma
31. Shri Ramkumar Verma

* Nominated to the Committee w.e.f. 14.03.2018

** Nominated to the Committee w.e.f. 02.06.2018

Nominated to the Committee w.e.f. 23.06.2018 in place of Shri Ahamed Hassan.

LOK SABHA SECRETARIAT

- | | | | |
|----|------------------------|---|-------------------------|
| 1. | Shri Ashok Kumar Singh | - | Additional Secretary |
| 2. | Shri Ashok Sajwan | - | Director |
| 3. | Smt. Mamta Kemwal | - | Additional Director |
| 4. | Smt. Shilpa Kant | - | Sr. Executive Assistant |

INTRODUCTION

I, the Chairperson, Standing Committee on Social Justice and Empowerment (2017-18) having been authorized by the Committee to submit the Report on their behalf, present this Fifty-fourth Report on 'Impact Analysis of the Micro-Credit Finance Schemes of the National Scheduled Castes Finance and Development Corporation (NSFDC)'.

2. The Committee took two oral evidence of the representatives of the Ministry of Social Justice and Empowerment (Department of Social Justice and Empowerment) on 27.03.2018 and 18.04.2018. The observations of the Committee are based on the appraisal of the evidence of the Ministry of Social Justice and Empowerment (Department of Social Justice and Empowerment).

3. The Committee considered and adopted the Report at their sitting held on 7th August, 2018.

4. The Committee wish to express their thanks to the officers of the Ministry of Social Justice and Empowerment (Department of Social Justice and Empowerment) for furnishing the written replies and other material/information also and for appearing before the Committee to tender their evidence in connection with the examination of the subject.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in the body of the Report.

New Delhi;
7 August, 2018
16 Shravana, 1940 (Saka)

RAMESH BAIS,
Chairperson,
Standing Committee on Social
Justice and Empowerment.

REPORT

CHAPTER-I

NATIONAL SCHEDULED CASTES FINANCE AND DEVELOPMENT CORPORATION (NSFDC)

INTRODUCTION

1.1 National Scheduled Castes Finance and Development Corporation (NSFDC) was set up as National Scheduled Castes and Scheduled Tribes Finance and Development Corporation on 08.02.1989, as a Company, 'not for profit' under Section 25 of the Companies Act, 1956 (now, under Section-8 of the Companies Act, 2013). It catered to the needs of both Scheduled Castes and Scheduled Tribes groups till 09.04.2001. on 10.04.2001, the Corporation was bifurcated after creation of National Scheduled Tribes Finance and Development Corporation for Scheduled Tribes target group under Ministry of Tribal Affairs. Consequent upon its bifurcation, the Corporation now exclusively caters to the needs of Scheduled Caste target group. At present, NSFDC is a fully owned Government of India Central Public Sector Enterprise/Company under the Ministry of Social Justice and Empowerment. The entire share capital is held by the Hon'ble President of India represented by the Secretary to the Government of India, Ministry of Social Justice and Empowerment, except one share held in the name of Joint Secretary, Ministry of Social Justice and Empowerment.

1.2 The vision of the Corporation is to act as a leading catalyst in systematic reduction of poverty through socio-economic development of eligible Scheduled Castes living below double the poverty line, working in an efficient, responsive and collaborative

manner with channelizing agencies and other development partners and its mission is to promote prosperity among Scheduled Castes by improving flow of financial assistance and through skill development and other innovative initiatives.

1.3 The main objectives of NSFDC are:

- ❖ To finance income generating schemes of eligible Scheduled Caste persons through State Channelizing Agencies (SCAs) nominated by the State Governments/UT Administrations and other Channelizing Agencies (CAs).
- ❖ To provide Educational Loans to target group through SCAs and/or CAs for pursuing full-time professional/technical education through recognized institutions.
- ❖ To provide loans to target group through SCAs and/or CAs for pursuing employment linked long term Vocational Education and Training Courses.
- ❖ To provide grants for Skill Development Training Programmes of the target group.
- ❖ To provide advisory services to SCAs/CAs and target groups.
- ❖ To upgrade professional skill levels of the Officers of SCAs/CAs.
- ❖ To develop competencies of its employees by providing professional training in emerging fields.
- ❖ To organize/participate in the Exhibitions cum Fairs for marketing of the products of beneficiaries.

Authorised and Paid-up Share Capital

1.4 When the Department was asked about the difference between Authorized Share Capital and Paid-up Share Capital with reference to NSFDC, the Committee were informed that the Authorized Share Capital is the maximum amount of Share Capital

which is to be released by the Government of India/ Ministry of Social Justice and Empowerment to NSFDC. The paid up share capital is the amount which has been released by the Government of India/ Ministry of Social Justice and Empowerment to NSFDC.

1.5 As on 31.12.2017, the authorized share capital of NSFDC was Rs.1500 crore and Ministry of Social Justice and Empowerment has released Rs.1348.01 crore as equity share assistance i.e. paid up capital to NSFDC for the benefit of the target group. In addition to that NSFDC, with its internal resources such as recovery of loan from its channelizing agencies, loan refund by its channelizing agencies and other funds inflow, has been disbursing funds for the benefit of its target group. Since inception NSFDC has disbursed Rs.4294.74 crore as against the paid up capital of Rs.1348.01 crore as on 28.02.2018.

Organisation Chart

1.6 NSFDC is headed by a Chairman-cum-Managing Director who is assisted by a General Manager, Deputy General Manager and a team of Senior Executives. There are 78 employees working in the Corporation. Apart from Projects, Finance, Human Resource, Administration Departments, there are Corporate, Internal Audit, Coordination, Banking, Vigilance, Legal, MIS, Skill Training, Record Management and Official Language Cell. In order to ensure efficient implementation and monitoring of NSFDC Schemes in the States, there is a Project Desk headed by Assistant General Manager. Besides above, in order to expand outreach under NSFDC's schemes PAN India through Public Sector Banks, Regional Rural Banks, Cooperative Banks, other Institutions and the Last Mile Financiers i.e. the Non-Banking Financial Company-Micro

Finance Institutions (NBFC-MFIs), there is a Banking Division headed by Chief Manager. Apart from these two desks of Projects Department and Banking Division, there is one Training Cell, exclusively assigned with tasks related to Skill Development of target group.

1.7 NSFDC has been working in Channel Finance Mode i.e. providing concessional financial assistance in the form of loan to the eligible target group through Channelizing Agencies. NSFDC has not issued any guidelines to its SCAs regarding taking any guarantee from the eligible beneficiaries before granting loan to them.

1.8 On being enquired about the funds allocated to National Scheduled Castes Finance and Development Corporation *vis-a-vis* funds actually utilized the Department replied to the Committee that “every year, Ministry of Social Justice and Empowerment has been releasing equity assistance to NSFDC. In turn, NSFDC, adding its own resources, has been disbursing funds to its Channelizing Agencies (CAs) for the socio-economic empowerment of target group. During last three years (2015-16 to 2017-18), the equity received from the Ministry of Social Justice and Empowerment and disbursement made by NSFDC to its CAs are as under:-

(Rs. in crore)

Financial Year	Equity Received from MoSJ&E	Disbursement made by NSFDC
2015-16	100.00	378.94
2016-17	138.00	478.98
2017-18	128.21	600.88
TOTAL	366.21	1458.80

1.9 The Department informed that NSFDC has disbursed Rs.1458.80 crore against the equity assistance of Rs.366.21 crore which is 3.98 times of the equity received. This has been possible due to recycling of funds and effective fund management. As on 31.3.2018, NSFDC has disbursed Rs.4478.68 crore as against the cumulative equity support of Rs.1348.01 crore which is 3.32 times of equity received.

1.10 Further, NSFDC has been providing around 95 per cent loan under its Term Loan Schemes with annual interest rate of 3 per cent and loan under Micro-Credit Schemes with annual interest rate of 1 per cent to 2 per cent. Based on Lending mix, the weighted average interest rate of NSFDC comes to around 2.12 per cent. The repayment including principal and interest received from SCAs is re-cycled for the benefit of the target group.

1.11 NSFDC works for the economic development of persons belonging to Scheduled Castes living below Double the Poverty Line (DPL). The DPL criteria were revised on July 29, 2015. The present DPL income criteria is annual family income of Rs. 98,000 for rural areas and upto Rs.1,20,000 for urban areas. The Department of Social Justice and Empowerment has revised the annual family income criterion up to Rs. 3.00 lakh for both rural and urban areas w.e.f. 8.03.2018 with a condition that 50 per cent of funding shall be for beneficiaries having annual family income up to Rs. 1.50 lakh and 50 per cent of funding shall be for beneficiaries having annual family income above Rs. 1.50 lakh and up to Rs. 3.00 lakh under Credit Based Schemes of NSFDC. However, the revision will not be applicable for Skill Development Training Programmes and it can be given as per the norms of Ministry of Skill Development and Entrepreneurs.

1.12 At the beginning of the each financial year, based on the resources available, NSFDC notionally allocates funds to its SCAs, in proportion to the Scheduled Castes population of the country represented by the respective State/UT Administration. While allocating funds, number of beneficiaries to be covered under different schemes including Micro Credit Schemes is also informed to the SCAs with the request to sponsor schemes for sanction accordingly.

1.13 The Committee note that National Scheduled Caste Finance and Development Corporation is a ‘not for profit’ Company which works for systematic reduction of poverty through socio-economic development of scheduled castes living below Double the Poverty Line (DPL) by providing financial assistance through skill development and other innovative initiatives with the help of State Channelizing Agencies (SCAs) nominated by the State Governments/UT Administrations and other Channelizing Agencies (CAs). The Committee find that NSFDC has disbursed Rs. 1458.80 crore against the equity assistance of Rs. 366.21 crore which is 3.98 times of the equity received during the last three years, due to recycling and effective fund management by the Corporation. Since inception NSFDC has disbursed Rs. 4478.68 crore as against the cumulative equity support of Rs. 1348.01 crore which is 3.32 times of equity received as on 31.03.2018. The Committee appreciate the efforts of the Corporation and expect NSFDC to keep on taking such commendable steps such as recycling of funds and effective fund management in a way to cover more and more beneficiaries under the schemes/programmes run by it.

1.14 Explaining the Schemes run by NSFDC it was informed to the Committee that there are twelve Credit based Schemes and one Non-Credit based Scheme run by NSFDC keeping in mind the needs of the target group.

CREDIT BASED SCHEMES

1.15 There are 12 schemes under which NSFDC provides loans to the beneficiaries of the target group for their economic development. These credit based schemes are as follows:-

- (i) Micro-Credit Finance (MCF)
- (ii) Mahila Samriddhi Yojana (MSY)
- (iii) Aajeevika Micro-finance Yojana (AMY)
- (iv) Term Loan (TL)
- (v) Mahila Kisan Yojana (MKY)
- (vi) Shilpi Samriddhi Yojana (SSY)
- (vii) Laghu Vyavasay Yojana (LVY)
- (viii) Nari Arthik Sashaktikaran Yojana (NASY)
- (ix) Green Business Scheme (GBS)
- (x) Stand-up India
- (xi) Educational Loan Scheme (ELS)
- (xii) Vocational Education and Training Loan Scheme (VETLS)

1.16 Out of above mentioned 12 Credit Based Schemes, 3 schemes are Micro Credit Schemes namely (i) Micro-Credit Finance (MCF), (ii) Mahila Samriddhi Yojana (MSY)

and (iii) Aajeevika Micro-Finance Yojana (AMY). Some of the credit based schemes have been detailed below:

(a) Shilpi Samriddhi Yojana (SSY)

1.17 The Scheme was introduced on 01.04.2009. NSFDC provides loan under Shilpi Samriddhi Yojana for units costing up to Rs.2.00 lakh. NSFDC provides loan up to 90 per cent of the project cost. The Scheme is exclusively meant for Scheduled Castes Artisans. Apart from caste and income criteria, Scheduled Castes Artisans must possess Identity Card issued by the Development Commissioner (Handicrafts), Ministry of Textile, Government of India or State Government. Under the Central-Sector Scheme of Special Central Assistance to Scheduled Castes Sub-Plan, Below Poverty Line (BPL) beneficiaries are eligible for subsidy at the rate of Rs.10,000 or 50 per cent of unit cost, whichever is less. Wherever the beneficiaries are not provided subsidy, the SCAs shall provide their share of Margin Money. NSFDC charges interest at the rate of 2 per cent p.a. from the SCAs, which in turn, shall charge 5 per cent p.a. from the beneficiaries. The loan under this scheme is to be repaid in quarterly installment within a maximum period of 5 years including moratorium period.

1.18 The Department forwarded the following information regarding notional allocation, disbursement and utilization of funds during last three years under Shilpi Samriddhi Yojana:

	Notional Allocation by NSFDC to SCAs	Disbursement by NSFDC to SCAs (Rs. in crore)	Utilization by SCAs (in %age)
2015-16	No separate allocation made under the schemes	0.19	10.53
2016-17	-do-	0.18	22.22
2017-18	-do-	0.28	14.29

(b) Mahila Kisan Yojana (MKY)

1.19 The Scheme was introduced on 01.05.2008. NSFDC provides loan under Mahila Kisan Yojana for project(s)/unit(s) costing up to Rs.2.00 lakh. The Scheme is meant for SC women beneficiaries living below Double the Poverty Line (DPL). The loans under this scheme are given for income generating ventures in Agriculture and/or Mixed Farming related economic activities. NSFDC provides loans up to 90 per cent of the Project Cost. Under the Central-Sector Scheme of Special Central Assistance to the Scheduled Castes Sub-Plan, the Below Poverty Line (BPL) beneficiaries are eligible for subsidy at the rate of Rs.10,000 or 50 per cent of the unit cost, whichever is less. Wherever the beneficiaries are not provided subsidy, the SCAs/CAs shall provide their share of Margin Money. NSFDC shall charge interest at the rate of 2 per cent from the SCAs/CAs, which in turn, shall charge 5 per cent from the Beneficiaries. The loan under this Scheme is to be repaid in quarterly installments within a period of 10 years including moratorium period.

1.20 The Department forwarded the following information regarding notional allocation, disbursement and utilization of funds during last three years under Mahila Kisan Yojana:

	Notional Allocation by NSFDC to SCAs	Disbursement by NSFDC to SCAs (Rs. in crore)	Utilization by SCAs (in %age)
2015-16	No separate allocation made under the schemes	0.34	23.53
2016-17	-do-	0.35	125.71
2017-18	-do-	0.47	21.28

1.21 The Committee pointed out during evidence that there are very few cases where women have ownerships of lands which will lead to very few beneficiaries under the Scheme. It was then submitted by one of the officials of the Ministry that:

“If the loan is availed under Mahila Kisan Yojana then there is a rebate of 1 per cent for the woman beneficiary”

1.22 The Committee note that there are only 915 beneficiaries under the Scheme during the last five years.

(c) Nari Arthik Sashaktikaran Yojana (NASY)

1.23 This scheme was introduced on 08.02.2013. The objective of this Scheme is to support the single women/widows/women who are head of their families to take up income generating activity and improve their socio-economic status. For availing loans under this scheme, apart from caste and income, the following criteria shall be satisfied:

- (a) The applicant should be either Single Woman (Widow, Divorcee, Single Mother, or Single Women aged above 35 years).
- (b) All women registered under Widow Pension Scheme who strictly meet the conditions as per (a) and (b) above would also be eligible for loans under the Scheme.
- (c) The age of the applicant should be between 25-50 years.

1.24 The eligible candidates can avail financial assistance under any of NSFDC's Schemes as per unit cost prescribed for those Schemes.

Quantum of Assistance

- (a) NSFDC shall provide need based loans under the Scheme as permissible under NSFDC Term Loan Lending Policy, without insisting on any promoter contribution and after taking into consideration the margin money being provided by SCAs/CAs and subsidy provided to Below Poverty Line (BPL) beneficiaries under the Central Sector Scheme of Special Central Assistance to the Special Component Plans at the rate of Rs.10,000 or 50 per cent of the unit cost, whichever is less.
- (b) The beneficiaries selected under the Scheme can also be considered for assistance under NSFDC's Skill Training Programme to undergo relevant vocational and entrepreneur development training in reputed institutions, if she so desires.

- (c) The SCAs/CAs shall be provided 2 per cent of the loan amount as grant for the purpose of carrying out ‘handholding activity’ for the beneficiaries covered under the Scheme, subject to a maximum of Rs.4,000 per unit.
- (d) The beneficiaries covered under the Scheme shall be eligible to avail further assistance for expansion of business after two years of availing first loan provided the repayment is regular.

1.25 The NSFDC shall charge moderate interest under Nari Arthik Sashaktikaran Yojana (NASY) at the rate of 1 per cent p.a. from the SCAs/CAs, which in turn, shall charge 4 per cent p.a. from the beneficiaries. The loan under this scheme is to be repaid in quarterly installments, within a maximum period of 10 years including moratorium period. The actual repayment period would be based on the nature of economic activity and income generation.

1.26 When the Department was asked about the reason behind nil beneficiaries under NASY for the last five years, as is evident from the information received by the Department, it was informed to the Committee that “NSFDC has been channelizing its funds for the socio-economic empowerment of target group through channelizing agencies. NSFDC schemes are demand driven. Under the scheme, financial assistance with reduced interest rate is provided to single women (widow/divorcee/single women or women who are the head of their families) to take up income generating activity. As Channelizing Agencies are finding difficult to identify sufficient number of eligible prospective beneficiaries, separate proposals with request for disbursement are not being received by NSFDC. However, Channelizing Agencies are covering the above mentioned beneficiaries under other schemes of NSFDC”.

1.27 When the Department was asked about the Unit Cost and Maximum Loan Limit of NASY the Department submitted that “Nari Arthik Sashaktikaran Yojana was introduced by NSFDC to extend benefit especially to single women with reduced interest rate. However, the unit cost was not fixed. Rather, it was left to the choice of eligible beneficiary to decide the unit cost within the maximum limit of Rs.30.00 lakh in line with NSFDC’s available schemes”.

Green Business Scheme

1.28 The objective of this Scheme is to provide financial assistance in the form of loan for the activities which could tackle the climate change along with income generation. The income generating activities which could mitigate the Green House effect or could be classified under adaptation initiatives, would be covered under the scheme. The activities covered under the scheme are E-rickshaw, Poly House, Compressed Air Vehicle and Solar Energy Gazettes. Unit cost of Green Business Scheme (GBS) implies the total project cost per unit/profit centre for pursuing any business activities coming under Green Business such as Solar Pump, E-Rickshaw, etc. In other words, unit cost also refers to the total investment required for doing any particular business activity. For example, operating e-rickshaw vehicle comes under Green Business and the unit cost will be the cost of e-rickshaw, registration and insurance charges of the vehicle. The unit costs or total project costs for the Green Business activities which was up to Rs.2.00 lakh per profit centre depending upon the nature of business activities, has now been revised to Rs.30.00 lakh for giving a boost to Green Business Activities.

1.29 The interest rate under the scheme shall be as under:

Sl. No.	Unit Cost	Interest per annum chargeable to	
		SCAs/CAs	Beneficiaries
(a)	Upto Rs.7.50 lakh	2%	4%
(b)	Above Rs. 7.50 lakh and up to Rs.15.00 lakh	3%	6%
(c)	Above Rs. 15.00 lakh and up to Rs.30.00 lakh	4%	7%

1.30 The loan under the scheme shall be repaid in quarterly installments, within a maximum period of 6 years including moratorium period.

1.31 It has been noted that the Scheme was introduced in 2015 and only 40 and 20 beneficiaries were covered in 2016-17 and 2017-18 respectively under this Scheme with only 1265 beneficiaries covered till date since introduction of this Scheme.

(e) Vocational Education and Training Loan Scheme (VETLS)

1.32 The main objective of this scheme is to provide financial assistance in the form of loan to youth of target group to enhance their skill and employability by pursuing Vocational Education and training courses in India. The following expenses may be considered under the scheme: **WR 18.04.2018 Annexure V Pg 34-37**

- Admission/Tuition fee.
- Examination, Library, Laboratory Fee,
- Caution Deposit.
- Purchase of Books, Equipments, Instruments.
- Boarding and Lodging
- Insurance for loan amount.
- Any other reasonable expenses found necessary for completion of the course certified by Vocational Education and Training Institute.

1.33 NSFDC provides loan up to 100 per cent of the expenditure of entire duration of the course on semester/yearly basis. NSFDC provides loan up to Rs.1.50 lakh under Vocational Education and Training Loan Scheme for pursuing Training Courses of duration of up to two years. Need based finance to meet 100 per cent expenses as worked out under Point No.1 of above shall be considered subject to the following ceilings;

- For courses of duration of up to 1 year : Up to Rs.1,00,000
- For courses of duration above one year and up to two years. : Up to Rs.1,50,000

Note: In case of cost over-run, it shall be borne by the beneficiary (ies).

1.34 The scheme shall bridge the gap before receipt of the scholarship/concession/free-ship by the candidates under various schemes of appropriate Bodies. The cost of the course shall be restricted on pro-rata basis, in case scholarship/concession/free-ship is granted by the State/Central Government or any other sources.

1.35 Regarding Vocational Education and Training Courses covered under this Scheme, the Department informed that the trainee should have secured admission in a Vocational Education and Training course of duration of up to two years and run or supported by a Ministry/Department/Organization of the Government or a Company/Society/Organization supported by National Skill Development Corporation or State Skill Missions/State Skill Corporations, preferably leading to a Certificate/Diploma/Degree etc. issued by a Government Organization or an Organization recognized/authorized by the Government to do so.

1.36 NSFDC shall take over the Bank Loan for courses which have started after the date of introduction of the Scheme provided all the eligibility criteria are fulfilled as well as No Objection Certificate and copy of Sanction Letter are obtained from the Banks. In case the Banks levy any foreclosure charge(s), the same shall be borne by the candidate(s).

1.37 NSFDC charges interest at the rate of 1.5 per cent p.a. from the SCAs which in turn, shall charge 4 per cent p.a. from the beneficiaries. In case of women beneficiaries, an interest rebate of 0.5 per cent is provided. Loan under Vocational Education and Training Loan Scheme is to be repaid in quarterly installment within a maximum period of 7 years including moratorium period. The moratorium period will be considered as six months after completion of the course or getting employment, whichever is earlier. The beneficiary (ies) can repay the loan at any time after commencement of repayment of loan. No pre-closure charges shall be insisted from beneficiary (ies) in case of early repayment of loan.

1.38 The repayment period under the Vocational Education and Training Loan Scheme is w.e.f. 08.02.2014 as under:

Amount of Loan	Maximum Repayment Period including study period
For Loan up to Rs.1.00 lakh	Up to 5 years
For Loan above Rs.1.00 lakh	Up to 7 years

1.39 According to the data furnished by the Department, there are 'nil' beneficiaries under this Scheme from 2013-14 to 2015-16, only 21 beneficiaries covered in 2016-17 and again 'nil' beneficiaries in 2017-18.

1.40 The Committee find that NSFDC runs Schemes like Shilpi Samridhi Yojana (SSY), Mahila Kishan Yojana (MKY), Nari Arthik Sashaktikaran Yojana (NASY), Green Business Scheme and Vocational Education and Training Loan Scheme (VETLS) for the socio-economic development of Scheduled Castes living below double the poverty line. The Committee note that under all these Schemes the quantum of assistance provided by the Corporation ranges from upto Rs. 1.50 lakh to Rs. 30 lakh. The Committee are, however, dismayed to note the extremely poor performance of all these Schemes in terms of number of beneficiaries. Even worse than that, there are no beneficiaries at all under Nari Arthik Sashaktikaran Yojana (NASY) since its inception. Under Vocational Education and Training Loan Scheme (VETLS), there are no beneficiaries for the last five years, except 21 beneficiaries in 2016-17. The same is the case with Green Business Scheme with 40 and 20 beneficiaries in 2016-17 and 2017-18 having 1265 beneficiaries in total four years. Even under Shilpi Samridhi Yojana there are mere 324 beneficiaries in the last five years. The Committee note that Mahila Kisan Yojana is exclusively meant for Scheduled Caste women beneficiaries living below Double the Poverty Line (DPL) for income generating ventures in agriculture and/or mixed Farming related economic activities. Taking note of the fact that only 915 beneficiaries are there under this scheme in the last five years, the Committee wonder why at all the Corporation has introduced this Scheme in a country keeping in mind that very few women, that too under DPL category, have land ownership rights. The Committee are of the considered view that the Corporation did not do enough home-work before introduction of this Scheme. The Committee feel that although the Corporation runs many Schemes for the target group but due to their

complicated criteria and lack of awareness amongst the rural population in our country, the number of beneficiaries are far below expectation. The Committee feel that there is no meaning in running number of Schemes when performance of these Schemes is far far unsatisfactory which puts a big question mark on the very existence of these Schemes. The Committee hence recommend the Department to consolidate and merge all these Schemes into one Scheme or at the most two, name it accordingly and refix its eligibility of assistance from Rs. 1.50 lakh or 2 lakh upto Rs. 30 lakh. The Committee also recommend the Department to create due awareness about this/these Scheme(s) throughout the country so that more and more eligible candidates take advantage of the Schemes.

1.41 The details of all the Schemes of NSFDC are as follows:

Sl. No.	Scheme	Unit Cost	Maximum Loan limit upto 90% of Unit Cost	Interest Per Annum		Repayment Period
				SCA/C A	Benefi- ciary	
1.	Term Loan (TL)	Up to Rs.30.00 lakh	Rs.27.00 lakh	3-7% #	6-10% #	Within 10 years
2.	Micro-Credit Finance (MCF)	Up to Rs.60,000	Rs.54,000	2%	5%	Within 3 and a half years
3.	Mahila Samriddhi Yojana (MSY)	Up to Rs.60,000	Rs.54,000	1%	4%	Within 3 and a half years
4.	Mahila Kisan Yojana (MKY)	Up to Rs. 2 Lakh	Rs.1.90 Lakh	2%	5%	Within 10 years
5.	Shilpi Samriddhi Yojana (SSY)	Up to Rs. 2 Lakh	Rs.1.90 Lakh	2%	5%	Within 5 years
6.	Laghu Vyavasay Yojana (LVY)	Up to Rs.5.00 lakh	Rs.4.50 lakh	3%	6%	Within 6 years
7.	Nari Sashaktikaran Arthik Yojana (NASY)	Beneficiary of this Scheme can avail loan under any of the above scheme		1%	4% (2% handholding grant up to Rs.4,000/- per unit)	Within 10 years
8.	Green Business Scheme	Up to Rs.7.50 lakh Above Rs.7.50 lakh & up to Rs.15.00 lakh Above Rs.15.00 lakh & upto Rs.30.00 lakh	Rs.6.75 lakh Rs.13.50 lakh Rs.27.00 lakh	2% 3% 4%	4% 6% 7%	Within 10 years
9.	Stand-up India	Above Rs.10.00 lakh & upto Rs.30.00 lakh	Rs.27.00 lakh	6-7% #	9-10% #	As per the Stand-up India Scheme Norms

10.	Educational Loan Scheme (ELS)	Up to Rs.10.00 lakh or 90%, whichever is less (Studies in India) Up to Rs.20.00 lakh or 90%, whichever is less (Studies abroad)	1.5% (Men) 1% (Women)	4% (Men) 3.5% (Women)	• Within 10 years – up to Rs.7.50 lakh • Within 15 years – above Rs.7.50 lakh
11.	Vocational Education & Training Loan Scheme (VETLS)	Up to Rs.1.50 lakh (100%)	1.5% (Men) 1% (Women)	4% (Men) 3.5% (Women)	• Within 5 years – up to Rs.1.00 lakh • Within 7 years – above Rs.1.00 lakh
12.	Aajeevika Microfinance Yojana (AMY)	Up to Rs.60,000	Rs. 54,000	13% (1% rebate for Women)	Within 3 and a half years

Interest per annum is charged based on NSFDC's share per unit.

NON-CREDIT BASED SCHEME

1.42 There is only one Non-Credit Based Scheme run by NSFDC known as Skill Development Training Programme. Details of this Scheme is as follows:

Skill Development Training Programme

1.43 NSFDC sponsors skill development training leading to employability for the target group in high impact labor intensive sectors. These programmes are conducted by Government/Semi-Government/Autonomous Institutions/ Universities/ Deemed Universities/Sector Skill Councils/Sector Skill Council Affiliated training providers. The trainees are provided free training and stipend at the rate of Rs.1,500 per month during the training period. The trainees are also provided placement assistance and/or entrepreneurial guidance to start their own ventures. They are also encouraged to avail financial assistance from NSFDC through State Channelizing Agencies and other Channelizing Agencies. NSFDC's Skill Development Training Programmes are National Skill Qualification Framework (NSQF) compliant and in line with the Common Norms for Skill Training of Ministry of Skill Training and Entrepreneurship.

1.44 When it was enquired that whether the Department provides financial assistance for Skill Development Training Programme and upgradation of entrepreneurial skill of eligible members of Scheduled Castes living below double the poverty line through SCAs/National level/ State Level Training Institutes, it was replied that "NSFDC has been providing financial assistance in the form of grant for imparting skill development training programmes leading to employability for the target group. Under the scheme, 100 per cent course fee and stipend at the rate of Rs. 1,500 per month per candidate for non-residential training programmes is also provided during the training programmes to

meet their incidental expenses, subject to 90 per cent attendance in each month. All NSFDC sponsored skill training programmes except one are National Skill Qualification Framework (NSQF) compliant and conform to the Common Norms for Skill Development Schemes".

1.45 The scheme-wise numbers of beneficiaries covered under all the thirteen Schemes of NSFDC during last five years (2013-14 to 2017-18) are given as under:-

(Nos.)

Scheme	2013-14	2014-15	2015-16	2016-17	2017-18	Total
Mahila Kisan Yojana	245	380	86	86	118	915
Mahila Samriddhi Yojana	29,506	33,797	41,738	48,831	50,057	2,03,929
Laghu Vyavasaya Yojana	1,825	4,697	15,797	11,954	11,937	46,210
Term Loan	10,988	9,083	3,678	13,552	3,375	40,676
Micro-Credit Finance	11,929	22,488	8,879	7,267	42,027	92,590
Nari Arthik Sashaktikaran Yojana	0	0	0	0	0	0
Green Business Scheme	Introduced in January, 2015	05	1200	40	20	1265
Stand-up India	Introduced in April, 2017				76	76
Educational Loan scheme	374	381	399	308	266	1,728
Vocational Education & Training Loan Scheme	0	0	0	21	0	21
Shilpi Samriddhi Yojana	108	54	46	46	70	324
Aajeevika Microfinance Yojana	Introduced in November, 2015		92	0	394	486
Skill Development Training Programme	12,000	13,258	14,805	17,008	17,088	74,159
TOTAL	66,975	84,143	86,720	99,113	1,25,428	4,62,379

1.46 On being asked the selection procedure for providing loans under the various micro-credit schemes, the Department submitted that “NSFDC is working in the Channel Finance system in which identification and selection of beneficiaries, documentation, loan disbursement and recovery of loan installment from the beneficiaries etc. are in the domain of SCAs. The SCAs follow different methods for selection of beneficiaries such as inviting applications, interview of applicants at Head Office or District Office level by Selection Committee constituted for the purpose”.

1.47 When asked whether the Corporation provides job guarantee to the beneficiaries, the Department stated that “NSFDC has been providing financial assistance in the form of loan to the target group through State Channelizing Agencies and other Agencies for their income generating/self-employment schemes. The schemes are chosen by the beneficiaries themselves as per the need and requirement. All the schemes of NSFDC have the potential to create job opportunity”. The trainees are also provided placement assistance and/or entrepreneurial guidance to start their own ventures. They are also encouraged to avail financial assistance from NSFDC through State Channelizing Agencies and other Channelizing Agencies.

1.48 Regarding lending policy of the Corporation when it was asked that whether one beneficiary can avail loan twice from the Schemes of NSFDC at different times or more than two Schemes at a time it was replied by the Department that “as per the Lending Policy of NSFDC, no person can avail loan under more than one scheme at a time. However, beneficiaries of Micro Credit Finance, Mahila Samriddhi Yojana and Aajeevika Microfinance Yojana, after repayment of entire loan within the stipulated period, can avail second loan under any scheme of NSFDC. Further, under other schemes, a

person can avail second loan who were provided Term Loan up to Rs.2.00 lakh per unit, after full repayment of earlier loan in time and submission of field report on actual asset creation and successful running of the business". Further the Department informed that the ratio of disbursement of loans to the beneficiaries in rural to urban areas is 55:45.

1.49 The Committee find that selection of beneficiaries under various Schemes run by National Scheduled Castes Finance and Development Corporation for providing loans totally depends on the State Channelizing Agencies and the Corporation has no role in this procedure of identification and selection of beneficiaries, documentation, loan disbursement, etc. The Corporation only provides funds on the basis of demands put forth by the SCAs/CAs according to their estimate for disbursement of loans to the already selected candidates from the target group. The Committee are shocked to note that NSFDC sanctions loan to the SCAs ascertaining the genuineness of the demands put forward by the SCAs. The Committee, therefore, desire that the Corporation should set up a well defined mechanism for monitoring the selection procedure of the beneficiaries by the SCAs/CAs in every State/UT to ensure fare selection.

CHAPTER- II

MICRO CREDIT SCHEMES OF NSFDC

2.1 When asked what does the term “micro-credit” stands for, the Department stated that “Micro-Credit” means a small amount of loan provided to the target group to enable them to start their own need based income generating activities. Uptill 22.3.2018, the quantum of loan under Micro Credit Finance Schemes, i.e. Micro Credit Finance (MCF) and Mahila Samriddhi Yojana (MSY) was Rs.50,000. NSFDC’s Board of Directors in its 148th Board Meeting held on 23.3.2018 approved enhancement of the unit cost of Micro Credit Finance (MCF) and Mahila Samriddhi Yojana (MSY) from Rs.50,000 to Rs.60,000 in the first cycle and Rs.1.00 lakh in subsequent cycles as per RBI’s Master Direction-Priority Sector Lending-Target and Classification dated 7.7.2016. Accordingly, the quantum of loan under micro-credit has been enhanced from Rs.50,000/- to Rs.60,000/- in the first cycle and Rs.1.00 lakh in subsequent cycles w.e.f. 23.3.2018, i.e. the date of the resolution passed by the Board of Directors of NSFDC.

2.2 As per the Policy, NSFDC has been providing 90 per cent of the project cost as loan. The balance 10 per cent of the project cost is being shared by the Promoters, SCAs/CAs and Subsidy for Below Poverty Line (BPL) target group”.

2.3 The target and achievement of beneficiaries covered under all the Micro Credit Schemes during 2013-14 to 2015-16 and achievements during 2016-17 and 2017-18 are given as under:-

(Nos.)

Financial Year	Target	Achievement
2013-14	24,100	41,435
2014-15	24,030	56,285
2015-16	25,200	50,709
2016-17	-	56,098
2017-18	-	92,478
TOTAL		2,97,005

2.4 As per the Guidelines issued by Department of Public Enterprises (DPE), NSFDC and Ministry of Social Justice and Empowerment have been signing Memorandum of Understanding (MoU) since 2000-01. Every year, DPE finalizes the target in consultation with NSFDC and Ministry of Social Justice and Empowerment. Till 2015-16, DPE was giving both physical and financial targets. By achieving physical targets with the given financial targets, the per capita investment was less and thereby providing less benefit to the target group. Therefore, to provide more benefit in terms of better per capita investment, DPE moved from physical targets to more financial targets for the financial year 2016-17 and 2017-18.

2.5 There are three micro credit schemes run by the NSFDC. The details of these Micro Credit based schemes are:

(1) Micro Credit Finance (MCF) Scheme

(i) Unit Cost

NSFDC provides Micro Credit Finance for units costing up to Rs.60,000/-.

(ii) Quantum of Assistance

NSFDC provides loans up to 90 per cent of the Project Cost.

(iii) **Subsidy**

Under the Central-Sector Scheme of Special Central Assistance to the Scheduled Castes Sub Plan, the Below Poverty Line (BPL) Beneficiaries are eligible for subsidy at the rate of Rs.10,000/- or 50 per cent of the unit cost, whichever is less. Wherever the beneficiaries are not provided subsidy, the SCAs/CAs shall provide their share of Margin Money.

(iv) **Interest Rates**

The NSFDC shall charge interest at the rate of 2 per cent from the SCAs/CAs, which in turn, shall charge 5 per cent from the Beneficiaries.

(v) **Repayment Period**

The loan under this Scheme is to be repaid in quarterly-installments within a maximum period of three and half years from the date of each disbursement including the moratorium period.

(vi) **Second Loan**

On repayment of loan under Micro-Credit, through the concerned SCAs/CAs, the eligible beneficiaries can avail any loan under NSFDC schemes.

2.6 The Department forwarded the following statement stating amount disbursed and the number of beneficiaries in the last four years under Micro Credit Finance (MCF) Scheme:

Financial Year	Amount Disbursed (Crore)	Beneficiaries (Nos.)
2014-15	45.76	22,488
2015-16	37.67	8,879
2016-17	29.16	7,267
2017-18	187.46	42,027
TOTAL	300.05	80,661

2.7 When the Department was asked about the number of beneficiaries have reduced in 2015-16 and 2016-17 as compared to year 2014-15. It was replied by the Department that “NSFDC disburses funds as per the demand and request of the SCAs. During, 2015-16 and 2016-17, demand for disbursement from SCAs under Micro Credit Finance (MCF) scheme was less. However, during 2017-18, demand for disbursement under MCF from SCAs has gone up.

2.8 The Department forwarded the following information regarding notional allocation, disbursement and utilization of funds during last three years under Micro Credit Finance Scheme:

	Notional Allocation by NSFDC to SCAs	Disbursement by NSFDC to SCAs (Rs. in crore)	Utilization by SCAs to NSFDC (in %age)
2015-16	31.50	37.67	59.94
2016-17	44.30	29.16	57.13
2017-18	105.00	187.46	5.39

2.9 When the Department was enquired about the enhancement of the quantum of loan under MCF and its actual implementation, the Department informed that “the quantum of loan under MCF and MSY was enhanced from Rs.50,000 to Rs.60,000 in the first cycle and Rs.1.00 lakh in subsequent cycles. NSFDC’s Board of Directors in its 148th Board Meeting held on 23.3.2018 also approved enhancement of the unit cost of Mahila Kisan Yojana (MKY) and Shilpi Samriddhi Yojana (SSY) from Rs.50,000 to Rs.2.00 lakh to cover more target group under these schemes. However, these schemes come under Term Loan and not under Micro-Credit Finance. Enhancement in

the quantum of loan under the above-mentioned schemes has been effected from 23.3.2018.

(2) Mahila Samriddhi Yojana (MSY)

Unit Cost

2.10 NSFDC provides Mahila Samriddhi Yojana for units costing up to Rs.60,000.

Quantum of Assistance

2.11 NSFDC provides loans up to 90 per cent of the project cost.

Subsidy

2.12 Under the Central-Sector Scheme of Special Central Assistance to the Scheduled Castes Sub-Plan, the Below Poverty Line (BPL) beneficiaries are eligible for subsidy at the rate of Rs.10,000 or 50 per cent of the unit cost, whichever is less. Wherever the beneficiaries are not provided subsidy, the SCAs/CAs shall provide their share of Margin Money.

Interest Rates

2.13 NSFDC shall charge interest at the rate of 1 per cent from the SCAs/CAs, which in turn, shall charge 4 per cent from the beneficiaries.

Repayment Period

2.14 The loan under this Scheme is to be repaid in quarterly installments within a maximum period of three and half years including the moratorium period.

Second Loan

2.15 On repayment of loan under Mahila Samriddhi Yojana through the concerned SCAs, the eligible beneficiaries can avail any loan under NSFDC schemes.

2.16 The Department forwarded the following statement stating amount disbursed and the number of beneficiaries in the last four years under Mahila Samriddhi Yojana (MSY):

Financial Year	Amount Disbursed (Crore)	Beneficiaries (Nos.)
2014-15	63.91	33,797
2015-16	98.97	41,738
2016-17	87.81	48,831
2017-18	65.14	50,057
TOTAL	315.83	1,74,423

2.17 The Department forwarded the following information regarding notional allocation, disbursement and utilization of funds during last three years under Mahila Samriddhi Yojana:

	Notional Allocation by NSFDC to SCAs	Disbursement by NSFDC to SCAs (Rs. in crore)	Utilization by SCAs (in %age)
2015-16	94.50	98.97	50.70
2016-17	132.90	87.81	43.10
2017-18	245.00	65.14	59.96

2.18 The Committee note that three Micro-credit Schemes namely Micro-Credit Finance (MCF), Mahila Samridhi Yojana (MSY) and Ajeevika Micro-finance Yojana (AMY) are under implemented by NSFDC for income generating activities for Scheduled Castes living below double the Poverty Line. The Committee find that in the year 2016-17 Rs. 29.16 crore was disbursed by NSFDC to SCAs and the number of beneficiaries was 7267. During the year 2017-18 the amount has been increased about six times i.e. Rs. 187.46 crore as compared to 2016-17 with 42,027 beneficiaries under Micro-Credit Finance Scheme. The Committee also find that SCAs have utilised only 5.39 per cent of the allocated funds in the Scheme in 2017-18. The Committee also find that SCAs of NSFDC have utilized only 50.70, 43.10 and 59.96 per cent of the allocated amount during the year 2015-16, 2016-17 and 2017-18, respectively under Mahila Samridhi Yojana. The Committee feel that these Micro-Credit Schemes can give a platform to economically weaker sections for their socio-economic upliftment particularly in rural parts of the country. The Committee, therefore, recommend that the amount allocated to SCAs for Micro-Credit Finance Schemes and Mahila Samridhi Yojana must be utilized fully so that more and more people could be covered under these Schemes.

(3) Aajeevika Microfinance Yojana (AMY)

2.19 The NSFDC has introduced a new scheme in the name of Aajeevika Microfinance Yojana (AMY) w.e.f. 1st November, 2015. The scheme is implemented through Non-Banking Financial Company-Micro Finance Institutions (NBFC-MFIs) i.e. Last Mile Financier.

2.20 The Objective of this Scheme is to provide prompt and need based micro finance to eligible scheduled caste persons at reasonable rate of interest through NBFC-MFIs to pursue small/micro business activities.

Eligibility

2.21 The Last Mile Financier i.e. NBFC-MFI fulfilling the following norms shall be considered eligible to avail financial assistance from NSFDC:

- a) The NBFC-MFI should be registered with the RBI as Non-Banking Financial Company-Micro Finance Institution (NBFC-MFI).
- b) NBFC-MFI should be following all RBI norms related to Micro Finance.
- c) The NBFC-MFI should have 3 years of continuous profit track record.
- d) The NBFC-MFI should have Gross Non-Performing Assets (NPA) less than 2 per cent and net NPA below 0.5 per cent as per their Annual Accounts for the preceding financial year.
- e) The NBFC-MFI should be a member of a Credit Bureau.

- f) The NBFC-MFI should have minimum Capacity Assessment Rating of mfr5 by Credit Rating Information Services of India Limited (CRISIL) or its equivalent.
- g) The NBFC-MFI should not have defaulted in repayment of outside borrowings in the last three years or undergone a corporate debt re-structuring.
- h) The NBFC-MFI should have proper system for internal accounting, risk management, internal audit, MIS, cash management etc. and its annual accounts should have been audited in the last three years.
- i) It will be desirable for the NBFC-MFI to have undergone Code of Conduct Assessment (COCA) with a minimum score of 60 or equivalent

Unit Cost

2.22 The unit cost of the project could be up to Rs.60,000.

Quantum of Assistance

2.23 The NSFDC's share could be up to 90 per cent of the project cost. The balance share shall be contributed by the NBFC-MFI and/or beneficiaries.

Interest Rates

NSFDC to NBFC-MFI	Interest Spread to NBFC-MFI	NBFC-MFI to Beneficiaries	Interest Subvention*	Effective Rate of Interest
4% p.a. for Women 5% p.a. for Men	8%	12% p.a. for Women 13% p.a. for Men	2%	10% p.a. for Women 11% p.a. for Men

Interest Subvention

2.24 The beneficiaries shall be eligible to get interest subvention at the rate of 2 per cent per annum from NSFDC on timely full repayment of dues on yearly basis. The amount shall be credited by NSFDC directly to the account of the beneficiaries by Direct Benefit Transfer (DBT) after receiving information from NBFC-MFIs about prompt repayment made by the beneficiaries subject to full repayment made by NBFC-MFIs.

Repayment Period

2.25 The loan is to be repaid in quarterly installments within a maximum period of three and half years from the date of each disbursement including moratorium period.

Second Loan

2.26 After repayment of earlier loan, the eligible beneficiaries can avail further loan under NSFDC schemes from NBFC-MFIs or other channelizing agencies of the NSFDC.

2.27 Further elaborating, the AMY Scheme the Department informed that “NSFDC had discussion with some of NBFC-MFIs regarding average administrative cost being incurred by them for implementing Micro-Credit Scheme. On an average, the administrative cost of NBFC-MFIs was 8% per annum. Therefore, the interest spread was kept at 8% for NBFC-MFIs. Accordingly, NSFDC had sent Offer Letter to 65 RBI registered NBFC-MFIs seeking their willingness to act as channelizing agency of NSFDC. A total of sixteen NBFC-MFIs had responded to the NSFDC and three NBFC-MFIs were found to be eligible as per the eligibility criteria of the scheme. NSFDC sent offer letter again to remaining 49 RBI registered NBFC-MFIs seeking their willingness to

act as channelizing agency of NSFDC. But, none of them responded. As on date, only three NBFC-MFIs have signed Memorandum of Agreement with NSFDC and two NBFC-MFIs have availed funds.

2.28 One of the officials of the Ministry informed the Committee during the course of evidence that

“We are hoping that in days to come, this scheme will also pick up but for Ajeevika, I have still doubt whether these Non-Banking Financial Company (NBFCs) will be willing to work at this eight per cent. We are still doubtful because as per the feedback which we have got from these organisations, they are not willing to work at eight per cent.”

2.29 The Department forwarded the following statement stating amount disbursed and the number of beneficiaries in the last four years under Aajeevika Micro-finance Yojana (AMY):

Financial Year	Amount Disbursed (Crore)	Beneficiaries (Nos.)
2014-15*	0.00	0
2015-16	0.25	92
2016-17	0.00	0
2017-18 (till 30.09.2017)	1.91	394
TOTAL	2.16	486

* The scheme introduced w.e.f. 01.11.2015.

2.30 When the Committee enquired the Department about the amount disbursed and the number of beneficiaries under this Scheme from 1.10.2017 to 31.03.2018, the Department furnished same figures which was earlier submitted as on 30.09.2017. That means there is no funds released and no beneficiaries covered under this scheme after September, 2017 till 31st March, 2018.

2.31 When the Department was asked about the nil amount disbursed in 2016-17, it was replied by the Department that “No proposal was received from the Implementing Agency (NBFC-MFIs) during 2016-17”.

2.32 The Department forwarded the following information regarding notional allocation, disbursement and utilization of funds during last three years under Aajeevika Microfinance Yojana (AMY):

	Notional Allocation by NSFDC to SCAs	Disbursement by NSFDC to SCAs (Rs. in crore)	Utilization by SCAs to NSFDC (in %age)
2015-16	No separate allocation made under the scheme	0.25	0.00
2016-17	-do-	00.00	0.00
2017-18	-do-	1.91	57.59

2.33 The Committee found the performance of this Scheme to be very poor and asked reasons for it, the Department submitted that “as per the Policy, NSFDC takes security from the NBFC-MFIs for the loan provided at the rate of 50 per cent in the form of Fixed Deposit Receipt (FDR) and balance 50 per cent in the form of Post Dated Cheques (PDCs). Since Bank Loans are a major source of fund for MFIs, their lending rates largely depend on their borrowing rates from Banks and other financial institutions. The cost of fund for MFIs in India ranges from 11 per cent to 15 per cent. As per the Key RBI guidelines on responsible and transparent pricing, the pricing is decided as per the average base rate of 5 largest commercial banks multiplied by 2.75 per annum or cost of funds plus margin cap of 10 per cent for MFIs having loan portfolio above Rs 100 crore and 12 per cent for those with loan portfolio less than Rs 100 crore. As per RBI

guidelines, the overall rate of interest charged by any MFI to its borrowers shall not exceed 26 per cent under Priority Sector Lending norms. Therefore, the interest margin of 8 per cent provided by NSFDC is not attractive for NBFC-MFIs. Besides, the NBFC-MFIs not having strong financial base are unable to avail funds from NSFDC. ”.

2.34 When the Department was asked about the remedial steps to revive the Scheme of Aajeevika Microfinance Yojana, it was informed that NSFDC has contacted the Small Industries Development Bank of India (SIDBI) and compared the Aajeevika Microfinance Yojana (AMY) of NSFDC with SIDBI's loan products for NBFC-MFIs. In addition to it, a consultation meeting with NBFC-MFI partners and NABARD, SIDBI is being planned shortly to explore the possibilities of increasing the outflow of funds under AMY. ”

2.35 The Committee note that the National Scheduled Caste Finance and Development Corporation has introduced a new scheme called Aajeevika Microfinance Yojana (AMY) w.e.f. 1st November, 2015 with an objective to provide prompt and need based micro finance to eligible scheduled caste persons at reasonable rate of interest through NBFC-MFIs to pursue small/micro business activities. The Scheme is implemented through Non-Banking Financial Company-Micro Finance Institutions (NBFC-MFIs) i.e. Last Mile Financier. The Committee are disappointed to find that there were no beneficiaries under this Scheme in 2016-17 and only 394 beneficiaries in 2017-18. Further the Committee note that total number of beneficiaries since introduction of this Scheme is only 486 till the end of last financial year i.e. 2017-18 which is nothing keeping in mind the population of the target group. The Committee further find that since September, 2017 there is no progress in the number of beneficiaries which remained same i.e 394 till March, 2018. When asked the reasons, the Department stated that no proposal was received under this Scheme from the implementing agencies. The Committee wonder why onus of running of the Scheme is totally on the Implementing Agencies. The Committee note that out of 65 RBI registered NBFC-MFIs only three have signed Memorandum of Agreement with NSFDC and two NBFC-MFIs have availed funds due to unattractive interest rates of 8 per cent for them. The Committee learn that the consultation meeting with NBFC-MFIs partners, NABARD and SIDBI is being planned to explore the possibilities of increasing outflows of the funds under AMY. The Committee desire that the NSFDC should take action on the outcome of the meeting. The Committee also desire that the Department should take this Scheme seriously and review it with

new possibilities of alternative implementing agencies other than NBFC-MFIs in order to keep alive this Scheme. If necessary, the issue may be taken up with the Board of Directors of the NSFDC to explore the possibilities of finding alternate agencies acting as CAs in every State and to pursue NBFC-MFIs, other than those three, who have signed Memorandum of Agreement with NSFDC, and also to act as implementing agencies in rural areas under AMY Scheme.

CHAPTER – III

ROLE OF SCAs UNDER NSFDC

3.1 NSFDC provides loan to the target group through the State Channelizing Agencies (SCAs) and other Channel Partners. The SCAs of NSFDC are State/UT Government Agencies. Some of the SCAs are Scheduled Caste Development Corporations (SCDCs) having authorized share capital in the ratio of 51:49 owned by respective State Government and Central Government respectively. Ministry of Social Justice and Empowerment is the shareholder from the Central Government side. Ministry of Social Justice and Empowerment releases its share capital only after receipt of State Government Share by the SCDC. The share capital is being released in consultation with NSFDC from 2017-18. Further, Ministry of Social Justice and Empowerment provides subsidy at the rate of Rs 10,000 or 50 per cent of the unit cost, whichever is less, to the below poverty line beneficiaries through SCAs under Central Sector Scheme of Special Central Assistance to Scheduled Caste Sub Plan. The respective State Government/UT Administration has nominated their agencies to act as channelizing agencies of NSFDC by availing funds under various income generating schemes for the socio-economic empowerment of the Scheduled Castes persons having annual income up to Rs.3.00 lakh.

3.2 Till March, 2018 NSFDC has 37 State Channelizing Agencies (SCAs) and 55 Other Implementing Agencies with whom NSFDC has signed Memorandum of Agreement to channelize funds for the target group. The States/UTs-wise list of SCAs and Other Implementing Agencies are enclosed below.

STATE/UT-WISE LIST OF STATE CHANNELISING AGENCIES

Sl. No.	State/UT	Name of State Channelizing Agency
1.	Andhra Pradesh	1. Andhra Pradesh Scheduled Castes Co-operative Finance Corporation Ltd.
2.	Assam	2. Assam State Development Corporation for Scheduled Castes Ltd.
3.	Bihar	3. Bihar State SCs Co-operative Development Corporation Ltd.
4.	Chhattisgarh	4. Chhattisgarh State AntavasayeeSahkari Finance & Development Corporation.
5.	Goa	5. Goa State SCs & OBCs Development Corporation Ltd.
6.	Gujarat	6. Gujarat Scheduled Castes Development Corporation. 7. Gujarat Scheduled Caste Most Backward Classes Development Corporation.
7.	Haryana	8. Haryana Scheduled Castes Finance and Development Corporation Ltd.
8.	Himachal Pradesh	9. Himachal Pradesh SCs & STs Development Corporation.
9.	Jharkhand	10. Jharkhand State Scheduled Castes Co-operative Development Corporation.
10.	Jammu & Kashmir	11. Jammu & Kashmir SCs, STs & OBCs Development Corporation Ltd.
11.	Karnataka	12. Dr. B.R. Ambedkar Development Corporation Limited.
12.	Kerala	13. Kerala State Development Corporation for SCs & STs Ltd. 14. Kerala State Women's Development Corporation.
13.	Madhya Pradesh	15. Madhya Pradesh State Co-operative SCs Finance & Development Corporation.
14.	Maharashtra	16. Mahatma Phule BCs Development Corporation Ltd. 17. Sahityaratna Lokshahir Annabhau Sathe Development Corporation. 18. Sant Rohidas Leather Industries & Charmakar Development Corporation.
15.	Manipur	19. Manipur Tribal Development Corporation Ltd. 20. Manipur State STs & SCs Development Co-operative Bank Ltd.
16.	Meghalaya	21. Meghalaya Co-operative Apex Bank Ltd.
17.	Mizoram	22. Mizoram Urban Co-operative Development Bank Ltd. 23. Mizoram Khadi & Village Industries Board.
18.	Odisha	24. Odisha SCs & STs Development Finance Co-operative Corporation Ltd.
19.	Punjab	25. Punjab Scheduled Castes Land Development & Finance Corporation.
20.	Rajasthan	26. Rajasthan SCs & STs Finance & Development Co-operative Corporation.

21.	Sikkim	27. Sikkim SCs, Tribes & Backward Classes Development Corporation.
22.	Tamil Nadu	28. Tamil Nadu Adi Dravidar Housing & Development Corporation.
23.	Telangana	29. Telangana Scheduled Castes Co-operative Development Corporation Ltd.
24.	Tripura	30. Tripura Scheduled Castes Co-operative Development Corporation Ltd.
25.	Uttar Pradesh	31. Uttar Pradesh Scheduled Castes Finance & Development Corporation Ltd.
26.	Uttarakhand	32. Uttarakhand Bahu-udeshiya Vitta Evam Vikas Nigam.
27.	West Bengal	33. West Bengal SCs, STs & OBCs Development and Finance Corporation.
28.	Chandigarh	34. Chandigarh SCs, BCs & Minorities Financial & Development Corporation Ltd.
29.	Dadra & Nagar Haveli and Daman & Diu	35. Dadra & Nagar Haveli, Daman & Diu SCs/STs/Other BCs & Minorities Financial & Development Corporation.
30.	Delhi	36. Delhi SC/ST/OBC/Minorities & Handicapped Financial & Development Corporation.
31.	Puducherry	37. Puducherry Adi Dravidar Development Corporation Ltd.

Note: The State/UTs namely Arunachal Pradesh, Nagaland, Andaman & Nicobar and Lakshadweep Islands do not have Scheduled Castes population as per Census, 2011 data, and therefore, have not been included in the statement.

3.3 STATE/UT-WISE LIST OF OTHER IMPLEMENTING AGENCIES

Sl. No	State/UT	Name of Channelizing Agency
1.	Andhra Pradesh	1. Chaitanya Godavari Grameena Bank, Guntur, Andhra Pradesh. 2. Andhra Pradesh Grameena Vikash Bank, Warangal 3. Sapthagiri Grameena Bank, Chittoor, Andhra Pradesh
2.	Assam	4. North Eastern Development Finance Corporation, Guwahati, Assam. 5. Grameen Development & Finance Private Limited, Chhayaon, Assam. 6. Assam Gramin Vikash Bank, Guwahati 7. Langpi Dehangi Rural Bank., Satgoan, Assam
3.	Bihar	8. Madhya Bihar Gramin Bank, Patna, Bihar. 9. Uttar Bihar Gramin Bank, Muzzafarpur, Bihar. 10. Bihar Gramin Bank, Begusarai, Bihar.
4.	Gujarat	11. Dena Gujarat Gramin Bank, Gandhinagar, Gujarat. 12. Baroda Gujarat Gramin Bank, Bharuch, Gujarat.
5.	Haryana	13. Sarva Haryana Gramin Bank, Rohtak, Haryana.
6.	Himachal Pradesh	14. Himachal Pradesh Gramin Bank, Mandi, Himachal Pradesh

7.	Jharkhand	15. Jharkhand Silk, Textiles & Handicrafts Development Corporation, Ranchi. 16. Vananchal Gramin Bank, Dumka, Jharkhand.
8.	Karnataka	17. Syndicate Bank, Bengaluru, Karnataka. 18. Pragathi Krishna Gramin Bank, Bellary, Karnataka. 19. Karnataka Vikas Grameena Bank, Dharwad, Karnataka. 20. Kaveri Gramin Bank, Mysore, Karnataka 21. Vijaya Bank, Bengaluru, Karnataka 22. Canara Bank, Bengaluru, Karnataka
9.	Kerala	23. Kerala Gramin Bank, Malappuram, Kerala.
10.	Maharashtra	24. Maharashtra Gramin Bank, Aurangabad, Maharashtra. 25. Vidarbha Konkan Gramin Bank, Nagpur, Maharashtra. 26. Anik Financial Services Private Limited, Aurangabad, Maharashtra. 27. Dena Bank, Bandra, Mumbai 28. Union Bank of India, Mumbai 29. Bank of Baroda, Mumbai
11.	Madhya Pradesh	30. Madhyanchal Gramin Bank, 31. Narmada Jabhua Gramin Bank,
12.	Odisha	32. Sambandh Finserve Pvt. Ltd, Rourkela, Odisha
13.	Punjab	33. Punjab Gramin Bank, Kapurthala, Punjab. 34. Sutlej Gramin Bank, Bathinda, Punjab.
14.	Rajasthan	35. Rajasthan Marudhara Gramin Bank, Jodhpur, Rajasthan.
15.	Tamil Nadu	36. Indian Overseas Bank, Chennai, Tamil Nadu. 37. Pallavan Grama Bank, Salem 38. Pandyan Grama Bank, Virdhunagar
16.	Telangana	39. Andhra Bank, Hyderabad, Telangana. 49. Telangana Grameena Bank, Hyderabad, Telangana.
17.	Tripura	41. Tripura Gramin Bank, Agartala, Tripura.
18.	Uttar Pradesh	42. Purvananchal Gramin Bank, Gorakhpur, Uttar Pradesh. 43. Allahabad UP Gramin Bank, Banda, Uttar Pradesh. 44. Sarva UP Gramin Bank, Meerut, Uttar Pradesh. 45. Baroda UP Gramin Bank, Raebareli, Uttar Pradesh. 46. UP Sahkari Gram Vikas Bank, Lucknow, Uttar Pradesh. 47. Prathama Bank, Moradabad, Uttar Pradesh. 48. Kash iGomti Samyut Gramin Bank, Varanasi, Uttar Pradesh. 49. Gramin Bank of Aryavart, Gomti Nagar, Lucknow
19.	Uttarakhand	50. Uttaranchal Gramin Bank, Dehradun, Uttarakhand.
20.	West Bengal	51. Allahabad Bank, Kolkata, West Bengal. 52. BRITTI Prosikshan Private Limited, Kolkata, West Bengal.
21.	Delhi	53. Don Bosco Tech Society, New Delhi. 54. Punjab National Bank, New Delhi
22.	Puducherry	55. Puduvai Bhararthiar Grama Bank, Muthialpaet, Puducherry

3.4 The State Channelising Agencies of NSFDC are responsible for identification and selection of beneficiaries, documentation, loan disbursement and recovery of loan installment from the beneficiaries etc.

3.5 Further elaborating the working of SCAs the Department informed that as per the lending policy of NSFDC, the SCAs have to utilize the disbursed funds within 120 days from the date of disbursement. The SCAs are required to submit Quarterly Progress Report (QPR) on the utilization of funds in the prescribed format having details such as name and address, caste, annual family income, demand draft/cheque number, amount, date of disbursement, name of supplier etc. The SCAs have been sending Quarterly Progress Report on the utilization of funds in the prescribed format regularly to NSFDC.

3.6 It was further informed by the Department that “NSFDC has prudential norms for disbursement of funds such as availability of Government Guarantee, no overdues more than one year old and minimum 80 per cent cumulative utilization. The SCAs of West Bengal, Tripura and Andhra Pradesh have been working with the Corporation for quite some-time and taking initiatives to provide concessional financial assistance to the target group by availing funds from NSFDC. Further, the State Governments of the above mentioned States are also extending necessary supports to the SCAs to accomplish their objectives. As a result, the SCAs are fulfilling prudential norms of NSFDC and availing funds regularly for the target group.

3.7 On being enquired about the issue of non- functional SCAs, the Department informed that “out of 37 State Channelizing Agencies (SCAs), 23 SCAs are working as they fulfill all prudential norms of NSFDC. There are 14 non-functional SCAs which are not availing funds from NSFDC due to non- fulfillment of prudential norms such as non-

submission of Government Guarantee, non-remittance of more than one year old overdues, cumulative funds utilization percentage is less than 80 per cent and non-submission of proposals against notional allocation". Some of these issues are dealt with in detail below:

(a) Non-submission of Government Guarantee

3.8 Non-submission of Government Guarantee in some States/UTs is one of the major reasons due to which SCAs are not willing to avail funds from the Corporation. In this regard it is submitted by the Department that "the State Channelizing Agencies (SCAs) of NSFDC in the States of Bihar, Maharashtra, Meghalaya and Mizoram are the State Government Agencies. In order to avail funds from NSFDC, the SCAs are required to fulfill the prudential norms for disbursement of NSFDC. One of the prudential norms is providing adequate Government Guarantee/Government Order/Government Assurance from time to time. As per the Policy, the Government assurance provided by State Government in a particular year is taken into account only in the year of issue and not taken into account after the end of the financial year for further release of funds, unless converted into Government Order or Government Guarantee Deed failing which funds disbursed against the assurance gets unsecured. As a result, the total outstanding amount becomes more than the availability of Government Guarantee/Government Order. Hence, shortfall in Guarantee occurs and it comes as an impediment in the way of further disbursement of funds by NSFDC to a particular SCA.

- 3.9 The State-wise issues of shortfall in Government Guarantee are as under:
- In case of Bihar, the SCA did not convert the assurance provided in January, 2011 into either Government Order or Government Guarantee Deed.
 - In case of Maharashtra, the Government Orders provided in August, 2014 was valid upto 31st May, 2016. After that the validity of Government Orders were neither extended nor converted into Guarantee deed.
 - In case of Meghalaya and Mizoram, the SCAs have neither provided any Guarantee nor availed any funds from NSFDC after bifurcation of NSFDC in 2001. Further, there is no outstanding amount against the SCAs of Meghalaya and Mizoram.
- 3.10 On the issue of Government Guarantee, the Secretary of the Department candidly admitted during evidence that:
- “All States also have their own schemes. Therefore, when they have their own schemes they do not want to take an additional Government Guarantee for taking a loan from the National Scheduled Caste Finance and Development Corporation. It is because they will use their Government Guarantees for infrastructure projects in the State. They do not want to take a Government Guarantee for a Development Corporation. They would rather take a Government Guarantee and use it for infrastructure, whether it is for roads, or bridges or for irrigation purposes or whatever it may be.”
- 3.11 Another representative from the Department submitted before the Committee:
- “There are 37 State Agencies but only 23 are working, 14 are not working for different reasons. ...guarantee is one of the reasons which some States are not able to provide or they feel that their States' schemes are better in terms of coverage and in terms of rate of interest. So, they are not willing to avail the funds under the schemes of the Corporation. As I submitted earlier, U.P., Punjab and Bihar have not been availing for a long time.”

3.12 When asked about action taken by the Department in this regard, it was stated by the Department that “necessary follow up action has been taken at different levels of NSFDC and the Ministry of Social Justice and Empowerment. Further, letters have been sent from Hon’ble Minister (SJ&E) to the Hon’ble Chief Ministers of Bihar and Maharashtra. Similar letters have also been sent to the SCAs of Meghalaya and Mizoram by NSFDC”.

3.13 The Committee find that non-submission of Government Guarantee in some States/UTs is one of the major reasons due to which SCAs are not willing to avail funds from the Corporation. In order to avail funds from NSFDC, the SCAs are required to fulfill the prudential norms for disbursement of funds by NSFDC. One of the prudential norms is providing adequate Government Guarantee/Government Order/Government Assurance from time to time. The Committee note that Government Guarantee is very crucial for disbursement of funds by NSFDC, lack of which acts as an impediment in disbursement of funds by NSFDC and, due to which, in some States SCAs/CAs are not availing funds resulting in non-implementation of NSFDC Schemes in those States. Further, eligible candidates of target group in those States are suffering due to lack of funds. The Committee are constrained to find that due to passive attitude of the State Governments/UT Administrations this has become a perennial problem and as a result the SCAs are badly affected. The Committee, therefore, desire that the clause of availing Government Guarantee from the State Governments every year should be done away with from the prudential norms so that there are no more constraints with the SCAs while availing funds from NSFDC.

(b) Administrative Expenses

3.14 When the Department was asked about the details of Administrative Expenses of SCAs/Implementing Agencies of NSFDC, it was stated that NSFDC is providing interest spread of 2 per cent to 3 per cent under its schemes to SCAs to meet out part of their administrative expenses. SCAs being State Government Agencies are implementing most of the State Government sponsored Schemes besides the schemes of NSFDC. The SCAs are meeting out their administrative expenses from various schemes in which NSFDC interest spread is a part of it.

3.15 The State/UT-wise details of administrative expenses of State Channelizing Agencies (SCAs)/implementing Agencies of NSFDC during last three years (2015-16, 2016-17 & 2017-18), as received from some of the SCAs, are given as under:

(Rs. in crore)					
Sl. No.	State/UT	State Channelizing Agency	2015-16	2016-17	2017-18
1.	Andhra Pradesh	Andhra Pradesh SCs Cooperative Finance Corporation	36.25	50.17	49.82
2.	Chandigarh	Chandigarh SCs,BCs& Minorities financial and Development Corporation	5.08	5.52	5.92
3.	Chhattisgarh	Chhattisgarh State AntyavasaiSahakariVittaEvaM Vikas Nigam	7.42	9.08	10.13
4.	Gujarat	Gujarat SCs Development Corporation	4.83	5.33	5.68
5.	Jharkhand	Jharkhand State Scheduled Caste Co-op. Development Corporation	2.39	3.56	2.61
6.	Jammu & Kashmir	J&K SC,ST,BC Development Corporation	7.84	8.62	9.14
7.	Karnataka	Dr. B.R. Ambedkar Development Corporation	26.86	27.38	30.58
8.	Kerala	Kerala State Development Corporation for SCs & STs	9.83	10.39	11.46
9.		Kerala State Women's Development Corporation	6.08	6.10	7.10
10.	Maharashtra	Mahatma Phule Backward Class Development Corporation	13.05	18.36	22.08
11.		SahityaratnaLokshahirAnnabhauSathe Development Corporation	9.77	11.50	9.56
12.	Mizoram	Mizoram Urban Cooperative	2.17	2.62	2.60

		Development Bank			
13.	Odisha	Odisha SC & ST Development Finance Cooperative Corporation	3.73	3.67	3.29
14.	Punjab	Punjab SCs Land Development & Finance Corporation	12.91	12.07	12.99
15.	Rajasthan	Rajasthan SCs, STs Finance & Development Corporative Corporation	9.98	9.03	8.96
16.	Sikkim	Sikkim SC,ST & OBC Development Corporation	1.46	1.50	1.69
17.	Tripura	Tripura SCs Cooperative Development Corporation	1.83	1.43	3.55
18.	Uttarakhand	UttarakhandBahu- udeshyaVittaEvamVikas Nigam	2.49	3.15	3.96
		TOTAL	163.97	189.48	201.12

3.16 Further elaborating their procedure to provide Administrative Cost Subsidy to the SCAs the Department informed that the Ministry of Social Justice and Empowerment releases its share capital only after receipt of State Government Share by the SCDC. The Share Capitals are the interest free grant provided to the SCDCs for running their business by recycling the funds. Further, Ministry of Social Justice and Empowerment provides subsidy at the rate of Rs 10,000 or 50 per cent of the unit cost, whichever is less, to the below poverty line beneficiaries through SCAs under Central Sector Scheme of Special Central Assistance to Scheduled Caste Sub Plan. The subsidy amount helps both beneficiaries as well as SCAs. The loan burden on beneficiaries and share of SCAs get reduced. As a result, the SCAs can cover more beneficiaries with the available funds, with reduced outstanding amount of loan, recovery from beneficiaries improves and the possibility of NPA reduces”.

3.17 During the Conference with State Channelizing Agencies of NSFDC held on 01.06.2016 in New Delhi, it was brought out that some of the SCAs are suffering from lack of manpower, infrastructure and a lack of professionalism due to dearth of funds. When the Committee asked about the remedial action taken by the Department in this

regard, it was informed by the Department that “NSFDC is providing cash incentives under its incentive schemes to its SCAs based on their performance on certain parameters like repayment to NSFDC, recovery from beneficiaries, disbursement availed from NSFDC in a year, etc. The SCAs are free to utilize the cash incentive for improving their recovery infrastructure such as:

- a) Computerization of District Offices (Hardware and Software).
- b) Purchase of Four Wheeler Vehicle/Two Wheelers (Scooters/Motor Cycles) for the Field Level Staff for recovery work in the districts.
- c) Reimbursement of conveyance/cost of petrol etc. to Field Staff for recovery purpose.
- d) Performance Incentives in the form of cash rewards to the District Office Staff for achieving recovery targets.
- e) Procurement of Mobile Phones/reimbursement of Mobile Phone charges for the District of the staff involved in the recovery.

3.18 In nutshell, Central Government and NSFDC provide monetary support to the SCAs by way of:

- (i) Interest free equity support.
- (ii) Subsidy at the rate of Rs.10,000 or 50 per cent of the unit cost, whichever is less, to BPL beneficiaries.
- (iii) Cash incentives under incentive schemes linked with performance.
- (iv) National Award for Performance Excellence.

3.19 In this regard it was deposed by the Secretary of the Department before the Committee during the evidence that :

“Sir, the Department of Social Justice also fund the Corporation for skill training; we also fund the corporation on their equity. So, there is a limitation on funds everywhere. If you are going to fund the Corporations to buy furniture and buy other things, then tomorrow we will be asked as to whether we are giving money for furniture or giving money to beneficiaries. Therefore, the focus is more on funding the beneficiaries, giving them loan rather than providing for infrastructure. A three per cent is a fair enough percentage.”

3.20 The Committee find that the Department is providing interest, spread of 2 per cent to 3 per cent, under its schemes to SCAs to meet out part of their administrative expenses through NSFDC. In addition to it, NSFDC is also providing cash incentives under its incentive schemes to its SCAs which can be used for improving their recovery infrastructure such as computerization of District Offices (hardware and software), purchase of four wheeler vehicle/two wheelers (scooters/motor cycles) for the Field Level Staff for recovery work in the districts, etc. The Committee find that albeit the Corporation is providing monetary assistance to the SCAs/CAs in the form of administrative expenses and cash incentives, still the SCAs in all States have been complaining about shortage of funds for their infrastructure development and recruitment of trained staffs/manpower etc. The Committee, therefore, recommend the Department to consider giving some infrastructure development funds to the SCAs as has been done by the Ministry of Minority Affairs through National Minorities Development and Finance Corporation (NMDFC).

(c) Non-repayment of dues by some SCAs

3.21 When asked about the amount of overdues accumulated with some SCAs, the Department submitted before the Committee that “there are some SCAs who have not been repaying loan installments timely.” It was further informed by the Department that “as on 28.2.2018, there are overdues of Rs.309.60 crore with respect to some SCAs”. When there are huge amount outstanding with the SCAs, then NSFDC discontinues disbursing funds to them making the eligible candidates of target group the ultimate sufferers. The details of the overdues are as follows:

SCAs & STATE/UT-WISE OVERDUES AMOUNT AS ON 28.2.2018

SI. No.	SCA & State	Overdues (Rs. in crore)
1.	APSCCFC, Andhra Pradesh	3.90
2.	ASCDC, Assam	5.68
3.	BSCDC, Bihar	14.58
4.	CSASFDC, Chhattisgarh	6.14
5.	DSFDC, Delhi	0.24
6.	GSCDC, Gujarat	48.41
7.	GMBCDB, Gujarat	7.32
8.	HSFDC, Haryana	0.10
9.	JSCDC, Jharkhand	3.01
10.	J&KSCDC, Jammu & Kashmir	2.65
11.	DBRADC, Karnataka	27.28
12.	MPSCFDC, Madhya Pradesh	17.08
13.	LASDC, Maharashtra	83.67
14.	LIDCOM, Maharashtra	15.29
15.	MPBCFDC, Maharashtra	1.05
16.	MSTCB, Manipur	0.88
17.	OSFDC, Odisha	10.94
18.	PSCLDFC, Punjab	17.26
19.	PADCO, Puducherry	3.15
20.	RSCDC, Rajasthan	6.81
21.	SABCCO, Sikkim	1.55
22.	TSCDC, Tripura	7.53
23.	UPSCFDC, Uttar Pradesh	25.08
	TOTAL	309.60

3.22 The Secretary of the Department informed the Committee about the reasons for overdues with the States during evidence that:

“From the National Scheduled Caste Finance and Development Corporation and from the Ministry we would like every State to have a Scheduled Caste Development Corporation and partner with us as a channelizing agency. Over the years the States have developed their own schemes. Also, States at some point of time have become defaulters after taking loan from the National Corporation and have not repaid. It is not possible for us to continue loaning to a defaulting State Channelizing Agency...”

3.23 When the Department was asked about the States which have not paid overdues, it was replied that “the SCAs of Uttar Pradesh, Bihar, Odisha and Punjab are not availing funds under NSFDC schemes due to non-fulfillment of prudential norms. The status of overdues from the SCAs of above States (as on 30.04.2018) is as follows:

Name of SCA	Amount (Rs. in Crore)
Uttar Pradesh Scheduled Caste Finance & Development Corporation Uttar Pradesh	24.09
Bihar Scheduled Castes Cooperative Development Corporation	14.16
Odisha Scheduled Castes & Scheduled Tribes Development Finance Cooperative Corporation	11.05
Punjab Scheduled Castes Land Development and Finance Corporation	17.73
TOTAL	67.03

3.24 As a remedial action NSFDC is implementing its schemes in these States through other channel partners like Regional Rural Banks (RRBs), Public Sector Banks (PSBs) etc.

3.25 When asked about the efforts made by the Department to clear these overdues, it was submitted that “as per the Policy, NSFDC has been sending quarterly demand notice to the SCAs with the request to repay the amount. The SCAs which do not pay the full amount are requested persistently by letter, e-mail, phone and also during visits to the concerned States/UTs regularly to repay the amount and enable NSFDC to

recycle the funds for the benefit of the target group. Further, where SCAs are chronic defaulter and not repaying the overdues amount timely due to which the overdue amount has gone up, correspondence at the level of Secretary (Social Justice and Empowerment) to the Chief Secretaries of the concerned State/UT and at the level of Hon'ble Minister, Social Justice and Empowerment to the Hon'ble Chief Ministers of the concerned State/UT are sent for repayment of overdue amount to NSFDC. Discussions are also held during visit to the State by NSFDC Officers and in the Regional Workshops organized by the Ministry of Social Justice and Empowerment. Where the SCAs have repaid the entire amount of their more than one year old overdues (principal and normal interest) and requested NSFDC to waive off the penal interest, their requests have been considered on case to case basis by the NSFDC's Board. Repayments of overdues have been rescheduled in case of some States like Assam, Bihar, Odisha and Uttar Pradesh, which were not paying overdues for a long period".

3.26 In this regard the Secretary of the Department deposed before the Committee:

" So, we have done a couple of things in the Government to help the Corporation, in turn, the beneficiaries where their schemes will improve. The first thing that has been done is on the income criteria; second is that we have waived the penal interest which were there with many of the State Channelising Agencies so that the amount that they have to repay to the Corporation has come down.

3.27 As a result of efforts made by NSFDC, the SCAs of following States have repaid NSFDC overdues as shown under:

SCA & State	Amount Repaid (Rs. in crore)
Assam State Development Corporation for SCs , Assam	6.08
Jharkhand State SC Cooperative Development Corporation Jharkhand	5.83
Dr. B.R. Ambedkar Development Corporation, Karnataka	42.44
Madhya Pradesh State Cooperative SCs Finance and Development Corporation, Madhya Pradesh	57.93
Manipur Tribal Development Corporation, Manipur	1.51
Mahatma Phule Backward Class Development Corporation, Maharashtra	48.50
Uttar Pradesh Scheduled Caste Finance & Development Corporation Uttar Pradesh	11.84
TOTAL	174.13

3.28 The Committee note that Rs. 174.13 crore have been recovered as on 24.05.2018 out of Rs. 309.60 crore total overdue with 23 SCAs of NSFDC in various States/UTs. The Committee further note that when there is huge amount outstanding with the SCAs, then NSFDC discontinues disbursing funds to them making the eligible candidate of target group, a sufferer. Although the Corporation has been implementing these Schemes in these States through other Channel Partners such as Regional Rural Banks (RRBs), Public Sector Banks (PSBs), etc. and has recovered overdues amount of Rs. 174.13 crore from SCAs, it is not viable to leave remaining outstanding amount with the SCAs. The Committee, therefore, urge the Department to pursue this matter more vigorously with the State Governments such as Bihar, Odisha, Gujarat and Punjab where there is huge overdues pending and resolve this matter at the earliest.

(d) Incentives provided to SCAs by NSFDC

3.29 NSFDC has two incentive schemes for SCAs namely (i) Incentive Scheme for SCAs for Development of Recovery Infrastructure (ISSDRI) and (ii) Scheme of Mechanism of Rating of SCAs and Awards for better Performance [revised as National Award for Performance Excellence for State Channelizing Agencies (NAPE) in 2015-16]. Under the schemes, cash incentives are provided to SCAs based on their performance on certain parameters like repayment to NSFDC, recovery from beneficiaries, disbursement availed from NSFDC in a year, updation of annual accounts, percentage of beneficiaries covered from backward districts, coverage of women beneficiaries, mobilization of Government Guarantee, utilization of funds disbursed during last three years etc. The SCAs are to utilize the cash incentive for improving their recovery infrastructure such as:

- a) Computerization of District Offices (Hardware and Software).
- b) Purchase of Four Wheel Vehicle/Two Wheelers (Scooters/Motor Cycles) for the Field Level Staff for recovery work in the districts.
- c) Reimbursement of conveyance/cost of petrol etc. to Field Staff for recovery purpose.
- d) Performance Incentives in the form of Cash Rewards to the District Office Staff for achieving recovery targets.
- e) Procurement of Mobile Phones/reimbursement of Mobile Phone charges for the District of the staff involved in the recovery.

(A) Incentive Scheme for SCAs for Development of Recovery Infrastructure
(ISSDRI)

3.30 NSFDC has been implementing the scheme since 2007-08 to provide incentive to SCAs at the rate of 0.5 per cent on the total amount repaid by them in a financial year, to such SCAs whose cumulative field recovery is more than 60 per cent at the end of financial year or whose recovery improvement is at least 10 percentage points over the last financial year and who are making 100 per cent repayment to NSFDC.

On the request of the SCAs, the scheme was liberalized as under:

- (i) The SCAs paying 100 per cent to NSFDC, as at the preceding financial year end, are to be provided 0.5 per cent of the total amount repaid in the year as incentive under ISSDRI subject to the condition that their recovery from beneficiaries being at least 50 per cent of their recovery improvement is at least 5 percentage points over the last financial year.
- (ii) The SCAs paying 90 per cent to NSFDC, as at the preceding financial year end, are to be provided 0.25 per cent of the total amount repaid in the year as incentive under ISSDRI subject to the condition that their recovery from beneficiaries being at least 50 per cent or their recovery improvement is at least 5 percentage points over the last financial year.

(B) Scheme of Mechanism of Rating of SCAs and Awards for better Performance

3.31 The NSFDC has been implementing the scheme of “Mechanism of Rating of SCAs and Awards for Better Performance” since 2007-08 to rate the performance of SCAs objectively and provide incentive to better performing SCAs. Based on evaluation of stipulated performance parameters, the SCAs standing First, Second and Third were being awarded cash prizes of Rs.5.00 lakh, 3.00 lakh and Rs.2.00 lakh respectively. However, in order to widen the scope of Awards and encourage more SCAs, NSFDC revised the Rating Scheme for 2011-12 onwards by modifying performance parameter “Absorption of disbursement allocation (current year)” in three levels as shown under:

(Rs. in lakh)

Category	Parameter	Prize			Total
		1st	2nd	3rd	
I	The SCAs availing funds from NSFDC against their Notional Allocation up to Rs.3.00 crore in a particular financial year.	5.00	3.00	2.00	10.00
II	The SCAs availing funds from NSFDC against their Notional Allocation more than Rs.3.00 crore and up to Rs.10.00 crore in a particular financial year	7.00	5.00	3.00	15.00
III	The SCAs availing funds from NSFDC against their Notional Allocation more than Rs.10.00 crore in a particular financial year	10.00	6.00	4.00	20.00
TOTAL		22.00	14.00	9.00	45.00

Note: The incentive amount is applicable to those SCAs whose rating is either ‘Excellent or ‘Very Good’.

3.32

The evaluation parameters under the Scheme are as follows:

Sl. No .	Parameters	Unit	Weightage (%)	Benchmark (Fair)	Criteria Values			
					Excellent	Very Good	Good	Fair
					1	2	3	4
1.	Growth in SCAs' disbursement to the beneficiaries as compared to previous year.	%	10	105	120	115	110	105
2.	Mobilisation of Guarantee/ Assurance (cumulative)	%	10	100 (Full coverage)	120	115	110	100
3.	Absorption of disbursement allocation (current year)	%	10	95	110	105	100	95
4.	Time-gap between disbursement received by SCA and released to beneficiaries (gap in utilization of funds) (current year)	Days	05	Within 90 days	Within 30 days	Within 45 days	Within 60days	Within 90 days
5.	Cumulative Utilization of funds	%	08	80.00	90.50	87.00	83.50	80.00
6.	Cumulative Recovery from Beneficiaries	%	20	60	66	64	62	60
7.	Cumulative Repayment to NSFDC	%	07	85	100	95	90	85
8.	Overdues, if any, not older than 1 year	Qtr.	10	Not more than 1 year	Regular	1 Qtr.	2 Qtrs.	3 Qtrs.
9.	Updation of loan accounts of beneficiaries (current year)	%	10	90	100	96	93	90

10.	Updation of Annual Account of SCAs by the Board (previous year)	Before (month)	10	No Arrear	Before Sept. end	Before Oct. end	Before Nov. end	Before Dec. end
	Total		100					

3.33 Rating Criteria:

Composite Score	Rating
1.00 – 1.50	Excellent
1.51 – 2.50	Very Good
2.51 – 3.50	Good
3.51 – 4.00	Fair

3.34 The Committee note that NSFDC is providing monetary assistance to its' SCAs/CAs through two incentive Schemes namely (i) Incentive Scheme for SCAs for Development of Recovery Infrastructure (ISSDRI) and (ii) Scheme of Mechanism of Rating of SCAs and Awards for better Performance. Under these Schemes cash incentives are given to SCAs based on their performance which can be utilized for improving their recovery infrastructure such as computerization of their offices, purchase of four wheelers/two wheeler vehicles, procurement of mobile phones, etc. There is another Scheme in which cash prize of Rs. 5.00 lakh, 3.00 lakh and Rs. 2.00 lakh is provided to the SCAs standing first, second and third on the basis of their evaluation of stipulated performance parameters. The Committee further find that during the conference with State Channelizing Agencies of NSFDC, NBCFDC and NSKFD Apex Corporations held on 01.06.2016 in New Delhi, some SCAs reported lack of manpower, infrastructure and a lack of professionalism, etc. as their perennial problems. The Committee feel that in spite of availing cash incentives from NSFDC, the SCAs keep on complaining about lack of funds for their infrastructural development and to increase manpower. The Committee, therefore, desire that the Department should set up a monitoring mechanism to ensure that the funds provided to the SCAs as cash prizes and awards fulfill the very purpose of solving the problems of SCAs. In this way SCAs would use these funds in proper and responsible way.

(e) Simplification of Procedure

3.35 When the Department was asked to elaborate the procedure of availing loan from the Corporation, the Department stated that “NSFDC has a simple procedure for disbursement of funds to its SCAs. The details are given as under:-

- (i) Acceptance of Letter of Intent (LoI) by returning a copy thereof duly signed and stamped on all pages by an authorized representative of the SCA in token of acceptance of all the terms and conditions contained in the Letter of Intent.
- (ii) Submission of adequate State Government Guarantee/Government Order/Government Assurance/Bank Guarantee issued by a Nationalized Bank.
- (iii) There should be a minimum of 80 per cent cumulative utilization level of funds already disbursed to the SCA as at the end of preceding month for disbursement till February end. Further, cumulative fund utilization level of 80 per cent at the end of preceding day for disbursement in the month of March.
- (iv) There should not be any overdues payable to NSFDC which is more than 1 year old at the end of the preceding financial year.
- (v) A written requisition by the SCA for release of funds.

3.36 It was further stated by the Department that during 2015-16, NSFDC had commissioned an evaluation study of its Credit Based Schemes. The study was conducted by the Centre for Market Research and Social Development (CMSD), New

Delhi. The study covered 10 SCAs/CAs in 8 States/UT namely Assam, Bihar, Haryana, Jammu and Kashmir, Kerala, Maharashtra, Sikkim and Puducherry. One of the recommendation of the report was “the SCAs should be guided to simplify the documentation process so that the number of visits of prospective beneficiaries to the offices of the SCAs is reduced”. Accordingly, copy of the evaluation report was sent to all 10 SCAs/CAs to initiate action on the points of recommendations. The SCAs of Sikkim and Kerala have accepted the recommendation and taken initiatives to simplify the process of documentation to avoid repeated visits by prospective beneficiaries to the offices of the SCAs. Further, during the visit of NSFDC officers to the States, the matter of simplifying documentation process is also discussed with the SCAs so that the prospective beneficiaries can complete the documentation process in an easy and time bound manner and avail funds early for implementation of the project for their betterment.

3.37 When the Committee asked the Department regarding simplification of procedure in the States/UTs, one of the Officials of the Ministry submitted as:

“Some States have simplified. We are collecting the information, but of course, there are concerns. They are trying. But we do not have right now the specific information. We are collecting the information and we will apprise the Committee accordingly.”

3.38 The Committee observe that on the basis of External Evaluation Study simplification of the documentation process was recommended so that the number of visits of prospective beneficiaries to the offices of the SCAs is reduced. The Committee note that action was initiated on the recommendation of the Evaluation Study and the copy of the Evaluation Report was sent to 10 SCAs/CAs. As a result two SCAs of Sikkim and Kerala have accepted the recommendations and taken initiatives to simplify the documentation process. The Committee do not understand that when NSFDC has 37 SCAs and 55 other implementing agencies why only 10 SCAs were asked to take action on the evaluation study. As simple and short documentation procedure does help the eligible candidates of the target group, who are not only from DPL category but are from educationally and socially backward classes too, the Committee exhort the Department to seriously pursue all the SCAs/CAs of NSFDC to take action on the recommendation of the Evaluation Report and simplify the documentation procedure at the earliest. The Committee may also be apprised of the response of these SCA/CAs.

CHAPTER – IV

EFFORTS FOR AWARENESS GENERATION

4.1 There are many beneficial schemes run by the Government but people, especially those living in the back of beyond, are not aware of these and, therefore, cannot avail any of these benefits. A Government Scheme will not be considered as a successful one unless people are benefited from it. Keeping this in mind when the Committee enquired the Department about the steps taken to create awareness amongst the masses about the Schemes run by NSFDC, it was stated by the Department that “the State Channelizing Agencies (SCAs)/Channelizing Agencies (CAs) publish advertisements in the local Newspapers inviting applications from eligible persons from the target group. Further, Ministry of Social Justice and Empowerment is broadcasting NSFDC’s and other schemes in the form of play through 93 All India Radio Stations and FM Stations in 18 Regional Languages including Hindi covering both rural and urban areas. The programmes are being broadcasted weekly on each Thursday at 8.50 A.M”. Every State has its own publicity mechanism such as through newspapers, radio, TV and Gram Panchayat.

4.2 In addition to this NSFDC also conducts awareness programmes/camps at various places to generate mass awareness amongst the target group about its schemes from time to time. During these camps, presentations are made and brochures and pamphlets on schemes of the Corporation are distributed amongst the attendees. Successful beneficiaries are also invited to address the gathering about their experience of availing loans under NSFDC’s schemes.

4.3 When asked during the course of evidence about the funds available for organizing camps and programmes for awareness generation one of the officials of the Department submitted:

“For awareness generation we have allocation of Rs 1 Crore. We have seen that for organizing one camp or programme around Rs 45 to 50 thousand are spent. We use to meet these expenses. Most of the funds meant for advertising the Schemes are spent in organizing awareness generation camps/programmes.”

4.4 When asked about the details of these awareness programmes, the Department informed that “during 2017-18, total 15 awareness programmes/camps were conducted by NSFDC”. The list of awareness programmes conducted by the Corporation during 2017-18 is enclosed below:

Details of Awareness Camps organized during 2017-18

Sl.No.	Name	No of Stalls	Date
1	Kaushal and Rozgar Mela, Deoghar, Jharkhand	1	3rd-5th April, 2017
2	UCMS & GTB hospital Dilshad Garden, Delhi	1	13th May, 2017
3	Kashmir, International Conference Centre, Srinagar, J&K	1	3rd-6th, July, 2017
4	North East Calling Mela, India Gate, New Delhi	1	9th-10 September, 2017
5	Awareness Camp, Bijnour U.P	1	16th September, 2017
6	Awareness Camp, Jhalawar, Rajasthan	1	17th September, 2017
7	Awareness Camp, Ghumerwin, Himachal Pradesh	1	15th October, 2017
8	Swadeshi Mela 2017-18, Varanasi, UP	1	8th-17th October, 2017
9	Awareness programme with ATDC at Sundernagri, Delhi	1	17th October, 2017
10	Awareness Campaign at Barola Village, Noida, UP	1	25th October, 2017
11	Destination Himachal, Solan, Himachal Pradesh	1	24th-26th October, 2017
12	Swadeshi Mela 2017-18, Chandigarh	1	22nd-26th November, 2017
13	Vision Mela Jammu & Kashmir, Udhampur, J&K	1	29th -31st January, 2018
14	5th Government Development & Policies Expo-2018, Indore, MP	1	9th - 11th February, 2018
15	Aajeevika Mela, Pragati Maidan, New Delhi.	1	23rd March-1st April, 2018

4.5 On being enquired from the Department about the number of awareness programmes/camps organized in rural areas, the Department replied that “the date and venue of the awareness programmes/camps are decided by the Ministry of Social Justice and Empowerment. Out of 15 awareness camps in which NSFDC participated during 2017-18, one Awareness Programme was organized in Rural Area i.e. at Barola Village, Noida, Uttar Pradesh on 25th October, 2017”.

4.6 When the Department was asked to comment on the probability of considering Self Help Groups for creating awareness in rural areas of the Country about the various loan Schemes run by the NSFDC, it was stated by the Department that “NSFDC works through Channel Finance mode and financial assistance has been provided through its Channelizing Agencies to women Self-Help Groups to implement schemes in a cluster mode approach in rural areas. In the process, 6 clusters consisting of 1,032 women beneficiaries in Chhaygaon Block of Kamrup District in the State of Assam during 2014-15, 7 clusters consisting of 345 women beneficiaries in 3 Districts of Manipur, 1 cluster consisting of 39 women beneficiaries at Bolpur, West Bengal during 2015-16 have been formed. The Department has informed that Rs.300.14 lakh has been disbursed for self-help groups consisting of total 1,416 beneficiaries.

4.7 Further, during 2016-17, NSFDC has signed Memorandum of Agreement with Development Commissioner (Handicrafts) and Development Commissioner (Handlooms), Ministry of Textiles to develop and promote Scheduled Caste Artisans/Weavers cluster at Block level by promoting production and marketing of high value quality Handicrafts and Handloom products. The scheme is implemented by promoting Self Help Groups in the clusters. In the process, 188 Self Help Groups have

been formed in 8 clusters consisting of various villages. Each Cluster normally consists of around 500 artisans/weavers.

4.8 The details are given as under:

Sl. No.	State	Name of the Cluster	Number of Self Help Group
1.	Rajasthan	Poogal, Bikaner	35
		Sardarshahr, Churu	30
		Gadra Road, Barmer	35
		Ward No.39-44, Tonk	24
2.	Assam	Sonakuchi, Barpeta	20
		Bartala, Nalbari	10
3.	Bihar	Jitwarpur, Madhubani	21
4.	West Bengal	Bolpur, Birbhum	13
	TOTAL		188

4.9 When the Department was asked about the procedure of working of these Self Help Groups, it was replied that “the self-help groups have been formed by the channelizing agencies under Mahila Samriddhi Yojana of NSFDC. All members of the self-help groups have been provided loan to pursue a single activity for better production and marketing”.

4.10 Further, the data on Self Help Groups (SHGs) having 100 per cent Scheduled Caste members was obtained from National Rural Livelihoods Mission (NRLM) and shared with the Public Sector Banks/Regional Rural Banks with whom NSFDC has

signed Memorandum of Agreement for expanding outreach. NSFDC officers while on tour meet the CEOs of State Rural Livelihoods Mission (SRLM) and request them for publicity and credit linkages to the Scheduled Caste members of the SHGs through Banks under NSFDC schemes.

4.11 In the recent past, NSFDC officials met the CEOs of Uttar Pradesh State Rural Livelihood Mission (UPSRLM), Lucknow, Madhya Pradesh State Rural Livelihood Mission (MPSRLM), Bhopal, Bihar State Rural Livelihood Mission (Ajeevika) and discussed the issue of credit linkage for the Scheduled Caste Women SHG Members through Banks under the NSFDC Schemes. During discussion, NSFDC officials have requested the CEOs of UPSRLM, MPSRLM and Ajeevika to provide data on Scheduled Caste Women Self-Help Group Members to NSFDC and concerned Regional Rural Banks of the States for credit linkage under NSFDC's Schemes.

4.12 On being enquired about the steps taken to overcome the problem of marketing of products manufactured/produced by the beneficiaries of the Micro-Credit Schemes of the Corporation, the Department stated that "Every year, NSFDC is participating in Exhibitions and Fairs such as Shilpotsav at Dilli Haat (INA, New Delhi); India International Trade Fair, (Pragati Maidan, New Delhi); Surajkund Mela, (Faridabad, Haryana); East Himalayan Expo (North-Eastern Region). In these Exhibitions, NSFDC's beneficiaries are allotted stalls free of cost. In addition, beneficiaries are also reimbursed to and fro Rail/Bus Fare, Daily Allowance, Freight and Hotel expenses. Women beneficiaries are provided reimbursement of TA/DA expenses for attendant. These exhibitions provide opportunity and platform to NSFDC's beneficiaries including

beneficiaries of Micro-Credit Scheme to display and sell their products in various fairs/exhibitions.

4.13 Footfalls in exhibitions such as Dilli Haat, India International Trade Fair and Surajkund Mela is very high and as such the total sale of beneficiaries in terms of quantity and profit is quite high. For instance the total sale figure of beneficiaries in these exhibitions during 2017-18 is as under:

DilliHaat	Rs 32.25 lakh
IITF	Rs 42.42 lakh
Surajkund	Rs 45.78 lakh
Total	Rs 120.45 lakh

4.14 Businessman, professionals, representatives from big industrial houses visit these exhibitions. NSFDC's beneficiaries receive the rare opportunity of interacting with customers. In these exhibitions, beneficiaries get opportunity for healthy competition with other Departments of the Government, NGOs, Private Companies having similar products. In the process, NSFDC's beneficiaries learn the technique and competency of marketing techniques, product improvement and branding.

4.15 The Committee note that for creating awareness amongst the masses about the Schemes run by NSFDC, the SCAs/CAs publish advertisements in local newspapers and broadcast NSFDC's Schemes in the form of play on All India Radio Stations and FM Stations in 18 regional languages including Hindi. The Committee further note that NSFDC has organized awareness programmes/camps at 15 places in 2017-18 out of which only one was organized in Rural Area i.e. at Barola Village, Noida, Uttar Pradesh. The Committee deprecate the approach of the Corporation in dealing with the candidates of the target group who are from DPL category. The number of Awareness Programmes are too less to generate any awareness. The situation is worse in rural areas where the population of the target group is more but only one programme has been organized in rural areas in the entire country in one year. As there are many Schemes of NSFDC which have 'nil' beneficiaries, the reason being lack of awareness amongst the members of target group, the Committee exhort the Department to direct NSFDC to conduct more and more awareness programmes/camps once in every six months in every State/UT in the country mandatorily, preferable in the rural areas. The Committee also desire that the MPs/MLAs of that area must be informed in advance whenever any Awareness Programme/Camp is organized.

4.17 The Committee find that the beneficiaries under the Schemes of NSFDC mostly belong educationally and socially backward stratum of society. The Committee find that even after availing loan benefits from the Corporation, the beneficiaries lack marketing skills to display and sell the products manufactured/produced by the beneficiaries of Micro-credit Schemes of NSFDC. The Committee also find that Corporation has been organizing exhibitions and fairs such as Dilli Haat, India International Trade Fair, etc. for the NSFDC's beneficiaries. As these fairs and exhibitions are organized on annual basis and that too in one or two big cities, the Committee desire that the Department should organize such exhibitions and fairs more frequently on quarterly basis at the State level preferably at the local markets near the residences of the beneficiaries for better access and State capitals particularly at the time of major festivals in the States to provide better opportunity and platform to the beneficiaries of NSFDC's Scheme.

CHAPTER – V

MONITORING AND EVALUATION

5.1 Evaluation is an important aspect for finding out the flaws in a scheme/policy. Evaluation of implementation of any scheme examines the inputs, activities, and outputs involved in the implementation of that scheme. It can also provide important information about stakeholder perceptions and awareness, as well as barriers to and facilitators of implementation.

5.2 When the Department was asked about the mechanism adopted to monitor the Schemes run by NSFDC, it was replied that “NSFDC has the following mechanism for regular monitoring of the progress of its Schemes being implemented by the Channelising Agencies:

- a. NSFDC obtains Quarterly Progress Reports on fund utilization from its Channelising Agencies in the prescribed format that includes details such as demand draft/cheque number, amount, date, name of suppliers and names and addresses of beneficiaries.
- b. Internal evaluation of NSFDC financed schemes are carried out through periodical visits of its officials from Head Office and Liaison Centres to the field.
- c. NSFDC has a system of getting its schemes evaluated by external agencies for assessment of impact of the schemes on the socio-economic status of the beneficiaries.

5.3 The Department further informed that “during 2014-15, 2015-16 and 2016-17, four Studies covering 22 States and 1 Union Territory were commissioned for external evaluation of NSFDC’s Schemes that includes Micro-Credit Schemes. The main

objective of these studies was to assess the impact of schemes on income-levels of beneficiaries. The evaluators conducted door-to-door field survey in the sample districts carefully chosen from all regions of the respective States based on the extent of coverage under the schemes. A total of 8,081 beneficiaries were covered under the studies.

5.4 There were some recommendations suggested by these Evaluation Studies such as (i) Mass Media may be utilized for providing information to beneficiaries, (ii) online monitoring mechanism may be developed for data management, (iii) the SCAs should be guided to simplify the documentation process so that the number of visits of prospective beneficiaries to the offices of the SCAs is reduced, (iv) the beneficiaries should be educated on marketing, (v) the SCAs should be guided and monitored for sanction and disbursement of loan to the target group within three months from the date of submission of application, etc. When the Department was asked about the action taken by the Department in pursuance of these recommendations of the External Evaluation Studies, it was stated that “the copies of the evaluation study reports were sent to all the concerned SCAs/CAs with the request to take corrective measures on the suggestions/recommendations given by the external evaluating agencies. Further, the matter was also discussed with the SCAs during visits of the NSFDC Officers to the States and in Regional Conferences organized by Ministry of Social Justice and Empowerment from time to time”.

5.5 When the Department was asked to furnish the details of the latest study conducted by the Corporation, it was submitted that “for the year 2016-17, NSFDC commissioned an External Evaluation Study of its Credit Based Schemes which covered 1,509 beneficiaries who availed loan during the year 2015-16 through 5 SCAs in 4 States and 1 UT namely Chhattisgarh, Rajasthan, Uttarakhand, West Bengal and Chandigarh”. The State/UT-wise and SCA-wise beneficiaries covered under study are given as under:

Sl. No.	State/UT & SCA	Number of beneficiaries
(i)	Chhattisgarh (CSASFDC)	100
(ii)	Rajasthan (RSCFDC)	100
(iii)	Uttarakhand (UBVEVN)	40
(iv)	West Bengal (WBSCSTDFC)	1,187
(v)	Chandigarh (CSCFDC)	82
	TOTAL	1,509

- 5.6 The evaluation report is yet to be submitted by the external evaluation agency.
- 5.7 In this connection when the Department was asked, whether any Studies have been conducted to ascertain the socio-economic development of the beneficiaries, it was submitted by the Secretary of the Department during the course of evidence that:

“...Every year the Corporation on their own does evaluation and we have also now initiated a third party evaluation study which should be completed in the next 15 to 20 days. That evaluation study will help us know what is the benefit that the beneficiaries have got...”

5.8 The Committee note that National Schedule Castes Finance and Development Corporation has taken a laudable step in the field of monitoring and evaluation of the Schemes run by the Corporation by initiating a third party evaluation. The Committee are familiar with the fact that monitoring and evaluation is a process that helps improve performance and achieve results. The Committee note that the recommendations of the External Evaluation Study have been forwarded to the State Channelizing Agencies/Implementing Agencies for taking further action. The Committee feel that without sincere implementation of the recommendations of the Evaluation study all the efforts and time for conducting Evaluation study would go waste. As the goal of monitoring and evaluation is to improve current and future management of outputs, outcomes and impact, the Committee desire the Department to pursue the SCAs/SCs at regular intervals to initiate sincere efforts to implement these recommendations without delay. The Corporation may seek status report in this matter from the concerned SCAs/CAs till all the recommendations are implemented by them.

New Delhi;
7 August, 2018
16 Shravana, 1940 (Saka)

RAMESH BAIS,
Chairperson,
Standing Committee on Social
Justice and Empowerment.

**MINUTES OF THE ELEVENTH SITTING OF THE STANDING COMMITTEE ON
SOCIAL JUSTICE AND EMPOWERMENT (2017-18) HELD ON
TUESDAY, 27TH MARCH, 2018**

The Committee met from 1500 hrs. to 1630 hrs. in Committee Room 'C', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

SHRI RAMESH BAIS - CHAIRPERSON

**MEMBERS
LOK SABHA**

2. Shri Faggan Singh Kulaste
3. Shri Santokh Singh Chaudhary
4. Shri Sadashiv Lokhande
5. Smt. K. Maragatham
6. Dr. Udit Raj
7. Sh. Ch. Malla Reddy
8. Kunwar Bharatendra Singh
9. Dr. Karan Singh Yadav

RAJYA SABHA

10. Smt. Jharna Das Baidya
11. Shri Chunibhai Kanjibhai Gohel
12. Smt. Sarojini Hembram
13. Smt. Vijila Sathyananth
14. Smt. Wansuk Syiem
15. Smt. Chhaya Verma
16. Shri Ramkumar Verma

SECRETARIAT

1. Shri Ashok Sajwan - Director
2. Smt. Mamta Kemwal - Additional Director

**REPRESENTATIVES OF THE MINISTRY OF SOCIAL JUSTICE AND
EMPOWERMENT (DEPARTMENT OF SOCIAL JUSTICE AND EMPOWERMENT)**

SI. No.	Name	Designation and Organization
1.	Smt. G. Latha Krishna Rao	Secretary
2.	Ms. T.C.A. Kalyani	JS &FA
3.	Smt. Aindri Anurag	Joint Secretary
4.	Shri Deepak Mehra	Director
5.	Shri Shyam Kapoor	CMD, NSFDC
6.	Shri Rati Kant Jena	AGM, NSFDC
7.	Shri Sapan Barua	CM, NSFDC

2. At the outset, the Chairperson welcomed the Members of the Committee, the representatives of the Ministry of Social Justice and Empowerment (Department of Social Justice and Empowerment) and the officials of National Scheduled Castes Finance and Development Corporation (NSFDC) to the sitting of the Committee convened to have briefing on the subject "Impact Analysis of the Micro-Credit Finance Schemes of the National Scheduled Castes Finance and Development Corporation (NSFDC)". Impressing upon the witnesses to keep the proceedings of the Committee 'Confidential', the Chairperson asked the Secretary of the Department of Social Justice and Empowerment to brief the Committee on the subject.

3. The Secretary and the Chairman-cum-Managing Director (CMD) of the Corporation accordingly briefed the Committee about overall performance of the Corporation, explaining various schemes run by the Corporation including Micro-Credit Finance Schemes and their impact on the upliftment of the target groups with the help of a power point presentation. The broad issues discussed at the meeting are as follows:-

- (i) Details of on the Micro-Credit Finance Schemes run by the Corporation.
- (ii) Performance of State Channelising Agencies (SCAs) .
- (iii) Remedial measures to deal with the States/UTs which are not interested in availing funds from the Corporation to implement the Schemes.
- (iv) Awareness programmes run by the Department/Corporation for more and more coverage of eligible candidates specially in rural areas.
- (v) Simplification of the procedure for availing loans from the Corporation.
- (vi) States/UTs not providing guarantee to the eligible candidates for availing loans from the Corporation.
- (vii) Hurdles faced by SCAs in properly and timely disbursement of funds and its recovery .
- (viii) Huge arrears accumulated with the SCAs and the remedial steps to deal with this problem.
- (ix) Marketing linkages provided to the beneficiaries.
- (x) Skill Development Training Programmes run by the Corporation.

4. The Secretary and the CMD of the Corporation also responded to the queries raised by the Members to the extent possible. The Chairperson then directed the Secretary to furnish written replies to the unanswered queries raised by Members to the Secretariat at the earliest for early finalization of the Report.

5. The Chairperson then thanked the Secretary and other officials of the Department of Social Justice and Empowerment and NSFDC for giving valuable information to the Committee on the subject and expressing their views in a free and frank manner on various issues raised by the Members.

A copy of the verbatim proceedings of the sitting has been kept on record.

The witnesses then withdrew.

(The Committee then adjourned.)

**MINUTES OF THE TWELFTH SITTING OF THE STANDING COMMITTEE ON
SOCIAL JUSTICE AND EMPOWERMENT (2017-18) HELD ON
WEDNESDAY, 18TH APRIL, 2018**

The Committee met from 1130 hrs. to 1310 hrs. in Committee Room No. 2, Block 'A', Parliament House Annexe Extension Building, New Delhi.

PRESENT

SHRI RAMESH BAIS - CHAIRPERSON

**MEMBERS
LOK SABHA**

2. Shri Sher Singh Ghubaya
3. Shri Jhina Hikaka
4. Shri Sadashiv Kisan Lokhande
5. Smt. K. Maragatham
6. Smt. Mamata Thakur
7. Dr. Karan Singh Yadav

RAJYA SABHA

8. Shri Chunibhai Kanjibhai Gohel
9. Shri Ahamed Hassan
10. Dr. Narendra Jadhav
11. Smt. Vijila Sathyananth
12. Smt. Chhaya Verma
13. Shri Ramkumar Verma

SECRETARIAT

1. Shri Ashok Sajwan - Director
2. Smt. Mamta Kemwal - Additional Director

**REPRESENTATIVES OF THE MINISTRY OF SOCIAL JUSTICE AND
EMPOWERMENT (DEPARTMENT OF SOCIAL JUSTICE AND EMPOWERMENT)
AND NATIONAL SCHEDULED CASTES FINANCE AND DEVELOPMENT
CORPORATION (NSFDC)**

SI. No.	Name	Designation and Organization
1.	Smt. G. Latha Krishna Rao	Secretary
2.	Ms. T.C.A. Kalyani	JS & FA
3.	Smt. Aindri Anurag	Joint Secretary
4.	Shri Deepak Mehra	Director
5.	Shri Shyam Kapoor	CMD, NSFDC
6.	Shri Ratikanta Jena	AGM, NSFDC
7.	Shri Sapan Barua	CM, NSFDC

2. At the outset, the Chairperson welcomed the Members of the Committee, the representatives of the Ministry of Social Justice and Empowerment (Department of Social Justice and Empowerment) and the officials of National Scheduled Castes Finance and Development Corporation (NSFDC) to the sitting of the Committee convened to have briefing on the subject "Impact Analysis of the Micro-Credit Finance Schemes of the National Scheduled Castes Finance and Development Corporation (NSFDC)". Impressing upon the witnesses to keep the proceedings of the Committee 'Confidential', the Chairperson asked the Secretary of the Department of Social Justice and Empowerment to brief the Committee on the subject.
3. The Secretary and the Chairman-cum-Managing Director (CMD) of the Corporation accordingly briefed the Committee about Statewise performance of the Corporation, explaining various schemes run by the Corporation including Micro-Credit Finance Schemes and their impact on the upliftment of the target groups with the help of a power point presentation. The broad issues discussed at the meeting are as follows:-

- (i) Details of all the Micro-Credit Finance Schemes run by the Corporation.
- (ii) Number of beneficiaries in all the Credit Schemes run by the Corporation.
- (iii) Problem of non-functional State Channelising Agencies (SCAs)/ Implementing Agencies in some States .
- (iv) Remedial measures to deal with the States/UTs which are not providing Government Guarantee to the Corporation.
- (v) Lack of awareness programmes about the Schemes run by the Department/Corporation in the extreme rural areas of the Country.
- (vi) Simplification of the procedure for availing loans from the Corporation.
- (vii) Evaluation Studies conducted to evaluate the functioning of the Corporation.
- (viii) Low rate of disbursement by the SCAs to the beneficiaries in some States.
- (ix) Problem of dearth of infrastructure and man-power in SCAs.
- (x) Details of beneficiaries in all the women oriented schemes run by the Corporation.

4. The Secretary and the CMD of the Corporation also responded to the queries raised by the Members to the extent possible. The Chairperson then directed the Secretary to furnish written replies to the unanswered queries raised by Members to the Secretariat at the earliest for early finalization of the Report.

5. The Chairperson then thanked the Secretary and other officials of the Department of Social Justice and Empowerment and NSFDC for giving valuable information to the Committee on the subject and expressing their views in a free and frank manner on various issues raised by the Members.

A copy of the verbatim proceedings of the sitting has been kept on record.

The witnesses then withdrew.

(The Committee then adjourned.)

**MINUTES OF THE SIXTEENTH SITTING OF THE STANDING COMMITTEE ON
SOCIAL JUSTICE AND EMPOWERMENT HELD ON TUESDAY, 7th AUGUST, 2018**

The Committee met from 1500 hrs. to 1530 hrs. in Chairperson's Chamber, Room No. 113, PHA Extension Building, New Delhi.

PRESENT

SHRI RAMESH BAIS - CHAIRPERSON

MEMBERS

LOK SABHA

2. Shri Sher Singh Ghubaya
3. Shri Sadashiv Lokhande
4. Smt. K. Maragatham
5. Dr. Udit Raj
6. Shri Ch. Malla Reddy
7. Smt. Satabdi Roy
8. Kunwar Bharatendra Singh
9. Prof. Sadhu Singh
10. Smt. Mamata Thakur
11. Shri Mansukhbhai Dhanjibhai Vasava
12. Shri Tej Pratap Singh Yadav
13. Dr. Karan Singh Yadav

RAJYA SABHA

14. Smt. Jharna Das Baidya
15. Shri Abir Ranjan Biswas
16. Smt. Sarojini Hembram
17. Dr. Narendra Jadhav
18. Smt. Vijila Sathyananth
19. Smt. Wansuk Syiem
20. Smt. Chhaya Verma
21. Shri Ramkumar Verma

LOK SABHA SECRETARIAT

- | | | | |
|----|-------------------|---|---------------------|
| 1. | Shri Ashok Sajwan | - | Director |
| 2. | Smt. Mamta Kemwal | - | Additional Director |

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee.

3. The Committee then took up for consideration of the following draft Reports of the Committee:-

(i) 54th Report on 'Impact Analysis of the Micro-Credit Finance Schemes of the National Scheduled Castes Finance and Development Corporation (NSFDC)' of the Ministry of Social Justice and Empowerment (Department of Social Justice and Empowerment).

(ii) **** **** ****

(iii) **** **** ****

(iv) **** **** ****

(v) **** **** ****

(vi) **** **** ****

(vii) **** **** ****

(viii) **** **** ****

(ix) **** **** ****

4. The Chairperson then requested the Members to give their suggestions, if any, on the draft Reports. The Reports were adopted by the Committee without any amendments. The Committee then authorized the Chairperson to finalize these draft Reports in the light of consequential changes that might arise out of factual verification of the draft Reports and to present the same to both the Houses.

The Committee then adjourned.

**** Not related with the Report.

APPENDIX

STATEMENT OF OBSERVATIONS/RECOMMENDATIONS

Sl. No.	Para	Observations/Recommendations
1	2	3
1.	1.13	<p>The Committee note that National Scheduled Caste Finance and Development Corporation is a 'not for profit' Company which works for systematic reduction of poverty through socio-economic development of scheduled castes living below Double the Poverty Line (DPL) by providing financial assistance through skill development and other innovative initiatives with the help of State Channelizing Agencies (SCAs) nominated by the State Governments/UT Administrations and other Channelizing Agencies (CAs). The Committee find that NSFDC has disbursed Rs. 1458.80 crore against the equity assistance of Rs. 366.21 crore which is 3.98 times of the equity received during the last three years, due to recycling and effective fund management by the Corporation. Since inception NSFDC has disbursed Rs. 4478.68 crore as against the cumulative equity support of Rs. 1348.01 crore which is 3.32 times of equity received as on 31.03.2018. The Committee appreciate the efforts of the Corporation and expect NSFDC to keep on taking such commendable steps such as recycling of funds and effective fund management in a way to cover more and more beneficiaries under the schemes/programmes run by it.</p>
2.	1.40	<p>The Committee find that NSFDC runs Schemes like Shilpi Samridhi Yojana (SSY), Mahila Kishan Yojana (MKY), Nari Arthik Sashaktikaran Yojana (NASY), Green Business Scheme and Vocational Education and Training Loan Scheme (VETLS) for the socio-economic development of Scheduled Castes living below double the poverty line. The Committee note that under all these Schemes the quantum of assistance provided by the Corporation ranges from upto Rs. 1.50 lakh to Rs. 30 lakh. The Committee are, however, dismayed to note the extremely poor performance of all these Schemes in terms of number of beneficiaries. Even worse than that, there are no beneficiaries at all under Nari Arthik Sashaktikaran Yojana (NASY) since its inception. Under Vocational Education and Training Loan Scheme (VETLS), there are no beneficiaries for the last five years, except 21 beneficiaries in 2016-17. The same is the case with Green Business Scheme with 40 and 20 beneficiaries in 2016-17 and 2017-18 having 1265 beneficiaries in total four years. Even under Shilpi Samridhi Yojana there are mere 324 beneficiaries in the last five years. The Committee note that Mahila Kisan Yojana is exclusively meant for Scheduled Caste women beneficiaries</p>

		<p>living below Double the Poverty Line (DPL) for income generating ventures in agriculture and/or mixed Farming related economic activities. Taking note of the fact that only 915 beneficiaries are there under this scheme in the last five years, the Committee wonder why at all the Corporation has introduced this Scheme in a country keeping in mind that very few women, that too under DPL category, have land ownership rights. The Committee are of the considered view that the Corporation did not do enough home-work before introduction of this Scheme. The Committee feel that although the Corporation runs many Schemes for the target group but due to their complicated criteria and lack of awareness amongst the rural population in our country, the number of beneficiaries are far below expectation. The Committee feel that there is no meaning in running number of Schemes when performance of these Schemes is far far unsatisfactory which puts a big question mark on the very existence of these Schemes. The Committee hence recommend the Department to consolidate and merge all these Schemes into one Scheme or at the most two, name it accordingly and refix its eligibility of assistance from Rs. 1.50 lakh or 2 lakh upto Rs. 30 lakh. The Committee also recommend the Department to create due awareness about this/these Scheme(s) throughout the country so that more and more eligible candidates take advantage of the Schemes.</p>
3.	1.49	<p>The Committee find that selection of beneficiaries under various Schemes run by National Scheduled Castes Finance and Development Corporation for providing loans totally depends on the State Channelizing Agencies and the Corporation has no role in this procedure of identification and selection of beneficiaries, documentation, loan disbursement, etc. The Corporation only provides funds on the basis of demands put forth by the SCAs/CAs according to their estimate for disbursement of loans to the already selected candidates from the target group. The Committee are shocked to note that NSFDC sanctions loan to the SCAs ascertaining the genuineness of the demands put forward by the SCAs. The Committee, therefore, desire that the Corporation should set up a well defined mechanism for monitoring the selection procedure of the beneficiaries by the SCAs/CAs in every State/UT to ensure fare selection.</p>
4.	2.18	<p>The Committee note that three Micro-credit Schemes namely Micro-Credit Finance (MCF), Mahila Samridhi Yojana (MSY) and Ajeevika Micro-finance Yojana (AMY) are under implemented by NSFDC for income generating activities for Scheduled Castes living below double the Poverty Line. The Committee find that in</p>

		<p>the year 2016-17 Rs. 29.16 crore was disbursed by NSFDC to SCAs and the number of beneficiaries was 7267. During the year 2017-18 the amount has been increased about six times i.e. Rs. 187.46 crore as compared to 2016-17 with 42,027 beneficiaries under Micro-Credit Finance Scheme. The Committee also find that SCAs have utilised only 5.39 per cent of the allocated funds in the Scheme in 2017-18. The Committee also find that SCAs of NSFDC have utilized only 50.70, 43.10 and 59.96 per cent of the allocated amount during the year 2015-16, 2016-17 and 2017-18, respectively under Mahila Samridhi Yojana. The Committee feel that these Micro-Credit Schemes can give a platform to economically weaker sections for their socio-economic upliftment particularly in rural parts of the country. The Committee, therefore, recommend that the amount allocated to SCAs for Micro-Credit Finance Schemes and Mahila Samridhi Yojana must be utilized fully so that more and more people could be covered under these Schemes.</p>
5.	2.35	<p>The Committee note that the National Scheduled Caste Finance and Development Corporation has introduced a new scheme called Aajeevika Microfinance Yojana (AMY) w.e.f. 1st November, 2015 with an objective to provide prompt and need based micro finance to eligible scheduled caste persons at reasonable rate of interest through NBFC-MFIs to pursue small/micro business activities. The Scheme is implemented through Non-Banking Financial Company-Micro Finance Institutions (NBFC-MFIs) i.e. Last Mile Financier. The Committee are disappointed to find that there were no beneficiaries under this Scheme in 2016-17 and only 394 beneficiaries in 2017-18. Further the Committee note that total number of beneficiaries since introduction of this Scheme is only 486 till the end of last financial year i.e. 2017-18 which is nothing keeping in mind the population of the target group. The Committee further find that since September, 2017 there is no progress in the number of beneficiaries which remained same i.e 394 till March, 2018. When asked the reasons, the Department stated that no proposal was received under this Scheme from the implementing agencies. The Committee wonder why onus of running of the Scheme is totally on the Implementing Agencies. The Committee note that out of 65 RBI registered NBFC-MFIs only three have signed Memorandum of Agreement with NSFDC and two NBFC-MFIs have availed funds due to unattractive interest rates of 8 per cent for them. The Committee learn that the consultation meeting with NBFC-MFIs partners, NABARD and SIDBI is being planned to explore the possibilities of increasing outflows of the funds under AMY. The Committee desire that the NSFDC should take action on the outcome of the meeting. The Committee also desire that the</p>

		<p>Department should take this Scheme seriously and review it with new possibilities of alternative implementing agencies other than NBFC-MFIs in order to keep alive this Scheme. If necessary, the issue may be taken up with the Board of Directors of the NSFDC to explore the possibilities of finding alternate agencies acting as CAs in every State and to pursue NBFC-MFIs, other than those three, who have signed Memorandum of Agreement with NSFDC, and also to act as implementing agencies in rural areas under AMY Scheme.</p>
6.	3.13	<p>The Committee find that non-submission of Government Guarantee in some States/UTs is one of the major reasons due to which SCAs are not willing to avail funds from the Corporation. In order to avail funds from NSFDC, the SCAs are required to fulfill the prudential norms for disbursement of funds by NSFDC. One of the prudential norms is providing adequate Government Guarantee/Government Order/Government Assurance from time to time. The Committee note that Government Guarantee is very crucial for disbursement of funds by NSFDC, lack of which acts as an impediment in disbursement of funds by NSFDC and, due to which, in some States SCAs/CAs are not availing funds resulting in non-implementation of NSFDC Schemes in those States. Further, eligible candidates of target group in those States are suffering due to lack of funds. The Committee are constrained to find that due to passive attitude of the State Governments/UT Administrations this has become a perennial problem and as a result the SCAs are badly affected. The Committee, therefore, desire that the clause of availing Government Guarantee from the State Governments every year should be done away with from the prudential norms so that there are no more constraints with the SCAs while availing funds from NSFDC.</p>
7.	3.20	<p>The Committee find that the Department is providing interest, spread of 2 per cent to 3 per cent, under its schemes to SCAs to meet out part of their administrative expenses through NSFDC. In addition to it, NSFDC is also providing cash incentives under its incentive schemes to its SCAs which can be used for improving their recovery infrastructure such as computerization of District Offices (hardware and software), purchase of four wheeler vehicle/two wheelers (scooters/motor cycles) for the Field Level Staff for recovery work in the districts, etc. The Committee find that albeit the Corporation is providing monetary assistance to the SCAs/CAs in the form of administrative expenses and cash incentives, still the SCAs in all States have been complaining about shortage of funds for their infrastructure development and recruitment of trained staffs/manpower etc. The Committee, therefore, recommend the Department to consider giving some infrastructure development funds to the SCAs as has</p>

		been done by the Ministry of Minority Affairs through National Minorities Development and Finance Corporation (NMDFC).
8.	3.28	<p>The Committee note that Rs. 174.13 crore have been recovered as on 24.05.2018 out of Rs. 309.60 crore total overdue with 23 SCAs of NSFDC in various States/UTs. The Committee further note that when there is huge amount outstanding with the SCAs, then NSFDC discontinues disbursing funds to them making the eligible candidate of target group, a sufferer. Although the Corporation has been implementing these Schemes in these States through other Channel Partners such as Regional Rural Banks (RRBs), Public Sector Banks (PSBs), etc. and has recovered overdues amount of Rs. 174.13 crore from SCAs, it is not viable to leave remaining outstanding amount with the SCAs. The Committee, therefore, urge the Department to pursue this matter more vigorously with the State Governments such as Bihar, Odisha, Gujarat and Punjab where there is huge overdues pending and resolve this matter at the earliest.</p>
9.	3.34	<p>The Committee note that NSFDC is providing monetary assistance to its' SCAs/CAs through two incentive Schemes namely (i) Incentive Scheme for SCAs for Development of Recovery Infrastructure (ISSDRI) and (ii) Scheme of Mechanism of Rating of SCAs and Awards for better Performance. Under these Schemes cash incentives are given to SCAs based on their performance which can be utilized for improving their recovery infrastructure such as computerization of their offices, purchase of four wheelers/two wheeler vehicles, procurement of mobile phones, etc. There is another Scheme in which cash prize of Rs. 5.00 lakh, 3.00 lakh and Rs. 2.00 lakh is provided to the SCAs standing first, second and third on the basis of their evaluation of stipulated performance parameters. The Committee further find that during the conference with State Channelizing Agencies of NSFDC, NBCFDC and NSKFDC Apex Corporations held on 01.06.2016 in New Delhi, some SCAs reported lack of manpower, infrastructure and a lack of professionalism, etc. as their perennial problems. The Committee feel that in spite of availing cash incentives from NSFDC, the SCAs keep on complaining about lack of funds for their infrastructural development and to increase manpower. The Committee, therefore, desire that the Department should set up a monitoring mechanism to ensure that the funds provided to the SCAs as cash prizes and awards fulfill the very purpose of solving the problems of SCAs. In this way SCAs would use these funds in proper and responsible way.</p>

10.	3.38	<p>The Committee observe that on the basis of External Evaluation Study simplification of the documentation process was recommended so that the number of visits of prospective beneficiaries to the offices of the SCAs is reduced. The Committee note that action was initiated on the recommendation of the Evaluation Study and the copy of the Evaluation Report was sent to 10 SCAs/CAs. As a result two SCAs of Sikkim and Kerala have accepted the recommendations and taken initiatives to simplify the documentation process. The Committee do not understand that when NSFDC has 37 SCAs and 55 other implementing agencies why only 10 SCAs were asked to take action on the evaluation study. As simple and short documentation procedure does help the eligible candidates of the target group, who are not only from DPL category but are from educationally and socially backward classes too, the Committee exhort the Department to seriously pursue all the SCAs/CAs of NSFDC to take action on the recommendation of the Evaluation Report and simplify the documentation procedure at the earliest. The Committee may also be apprised of the response of these SCA/CAs.</p>
11.	4.15	<p>The Committee note that for creating awareness amongst the masses about the Schemes run by NSFDC, the SCAs/CAs publish advertisements in local newspapers and broadcast NSFDC's Schemes in the form of play on All India Radio Stations and FM Stations in 18 regional languages including Hindi. The Committee further note that NSFDC has organized awareness programmes/camps at 15 places in 2017-18 out of which only one was organized in Rural Area i.e. at Barola Village, Noida, Uttar Pradesh. The Committee deprecate the approach of the Corporation in dealing with the candidates of the target group who are from DPL category. The number of Awareness Programmes are too less to generate any awareness. The situation is worse in rural areas where the population of the target group is more but only one programme has been organized in rural areas in the entire country in one year. As there are many Schemes of NSFDC which have 'nil' beneficiaries, the reason being lack of awareness amongst the members of target group, the Committee exhort the Department to direct NSFDC to conduct more and more awareness programmes/camps once in every six months in every State/UT in the country mandatorily, preferable in the rural areas. The Committee also desire that the MPs/MLAs of that area must be informed in advance whenever any Awareness Programme/Camp is organized.</p>

12.	4.17	<p>The Committee find that the beneficiaries under the Schemes of NSFDC mostly belong educationally and socially backward stratum of society. The Committee find that even after availing loan benefits from the Corporation, the beneficiaries lack marketing skills to display and sell the products manufactured/produced by the beneficiaries of Micro-credit Schemes of NSFDC. The Committee also find that Corporation has been organizing exhibitions and fairs such as Dilli Haat, India International Trade Fair, etc. for the NSFDC's beneficiaries. As these fairs and exhibitions are organized on annual basis and that too in one or two big cities, the Committee desire that the Department should organize such exhibitions and fairs more frequently on quarterly basis at the State level preferably at the local markets near the residences of the beneficiaries for better access and State capitals particularly at the time of major festivals in the States to provide better opportunity and platform to the beneficiaries of NSFDC's Scheme.</p>
13.	5.8	<p>The Committee note that National Schedule Castes Finance and Development Corporation has taken a laudable step in the field of monitoring and evaluation of the Schemes run by the Corporation by initiating a third party evaluation. The Committee are familiar with the fact that monitoring and evaluation is a process that helps improve performance and achieve results. The Committee note that the recommendations of the External Evaluation Study have been forwarded to the State Channelizing Agencies/Implementing Agencies for taking further action. The Committee feel that without sincere implementation of the recommendations of the Evaluation study all the efforts and time for conducting Evaluation study would go waste. As the goal of monitoring and evaluation is to improve current and future management of outputs, outcomes and impact, the Committee desire the Department to pursue the SCAs/SCs at regular intervals to initiate sincere efforts to implement these recommendations without delay. The Corporation may seek status report in this matter from the concerned SCAs/CAs till all the recommendations are implemented by them.</p>