

**STANDING COMMITTEE ON SOCIAL JUSTICE AND
EMPOWERMENT (2021-22)**

(SEVENTEENTH LOK SABHA)

MINISTRY OF MINORITY AFFAIRS

**REVIEW OF THE FUNCTIONING OF THE NATIONAL
MINORITIES DEVELOPMENT AND FINANCE CORPORATION
(NMDFC)**

THIRTY FIFTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2022/Sravana, 1944 (Saka)

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FINANCE CORPORATION (NMDFC)

Presented to Lok Sabha on 5.8.2022

Laid in Rajya Sabha on 5.8.2022



LOK SABHA SECRETARIAT
NEW DELHI

August, 2022/Sravana, 1944 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON SOCIAL
JUSTICE AND EMPOWERMENT (2021-22)**

SMT. RAMA DEVI - CHAIRPERSON

MEMBERS

Lok Sabha

2. Shri Deepak (Dev) Adhikari
3. Smt. Sangeeta Azad
4. Shri Bholanath 'B.P. Saroj'
5. Smt. Pramila Bisoyi
6. Shri Thomas Chazhikadan
7. Shri Chhatar Singh Darbar
8. Shri Y. Devendrappa
9. Smt. Maneka Sanjay Gandhi
10. Shri Hans Raj Hans
11. Shri K. Shanmuga Sundaram
12. Shri Abdul Khaleque
13. Smt. Ranjeeta Koli
14. Smt. Geeta Kora
15. Shri Vijay Kumar
16. Shri Akshaibar Lal
17. Shri V. Srinivas Prasad
18. Shri Arjun Singh
19. Smt. Supriya Sule
20. Smt. Rekha Verma
21. Shri Tokheho Yepthomi

Rajya Sabha

22. Smt. Ramilaben Becharbhai Bara
23. Shri Abir Ranjan Biswas
24. Smt. Geeta *alias* Chandraprabha
25. Shri N.Chandrasegharan
26. Shri Narayan Koragappa
27. Smt. Mamata Mohanta
- *28. Vacant
- **29. Vacant
- ***30. Vacant
- ****31. Vacant

* Shri M. Mohamed Abdulla Resigned *w.e.f* 16.03.2022

** Smt. Jharna Das Baidya retired *w.e.f* 02.04.2022

*** Smt. Chhaya Verma retired *w.e.f* 29.06.2022

**** Shri Ramkumar Verma retired *w.e.f* 04.07.2022

LOK SABHA SECRETARIAT

- | | | |
|----|-----------------------|----------------------|
| 1. | Smt. Anita B. Panda | Additional Secretary |
| 2. | Shri T.S. Rangarajan | Joint Secretary |
| 3. | Smt. Mamta Kemwal | Director |
| 4. | Shri Krishendra Kumar | Deputy Secretary |
| 5. | Shri Haokip Kakai | Executive Officer |

INTRODUCTION

I, the Chairperson, Standing Committee on Social Justice and Empowerment (2021-22) having been authorized by the Committee to present on their behalf this Thirty Fifth Report on 'Review of the functioning of the National Minorities Development and Finance Corporation (NMDFC)' pertaining to the Ministry of Minority Affairs.

2. The Standing Committee on Social Justice and Empowerment (17th Lok Sabha) had selected the subject 'Review of the functioning of the National Minorities Development and Finance Corporation (NMDFC)' for examination during 2019-20, 2020-21 and in 2021-22. The Committee were briefed on the subject by the representatives of the Ministry of Minorities Affairs at their sitting held on 19.01.2021 and took evidence on 31.03.2022.

3. The Committee wish to express their thanks to the officers of the Ministry of Minority Affairs for appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the subject 'Review of the functioning of the National Minorities Development and Finance Corporation (NMDFC)'. They would also like to place on record their appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee. The Committee considered and adopted the Report at their sitting held on 02.08.2022. Minutes of the related sittings are given in the appendix to the Report.

4. For ease of reference, the Observations and Recommendations of the Committee have been printed in bold in the body of the Report.

NEW DELHI;

02 August, 2022
11 Sravana, 1944 (Saka)

RAMA DEVI
Chairperson,
Standing Committee on
Social Justice and Empowerment

REPORT

CHAPTER-I

INTRODUCTORY

The National Minorities Development & Finance Corporation (NMDFC) was incorporated on 30th September 1994 as a not for profit company under Section 25 of the Companies' Act, 1956 (now section 8 of Companies Act, 2013). NMDFC provides concessional loans for self-employment and income generating activities for the socio-economic development of the 'backward sections' amongst the notified Minorities viz., Muslims, Christians, Sikhs, Buddhists, Parsis & Jains.

1.2 NMDFC implements various credit schemes and promotional schemes for minority communities. The concessional credit schemes of NMDFC viz., Term Loan, Education Loan, Micro Finance and Virasat are implemented through the State Channelizing Agencies (SCAs) nominated by the respective State Governments/UT Administrations. Promotional schemes viz., Kaushal Se Kushalta Scheme, Mahila Samridhi Yojana and Marketing Assistance are also implemented through the SCAs for capacity building of the target groups for self/wage employment. As per the eligibility criterion, the annual family income under Credit Line-1 is ₹98,000/- for rural areas and ₹1,20,000/- for urban areas. In order to ensure wider outreach, NMDFC has introduced higher annual family income eligibility criterion under Credit Line-2 of upto ₹8.00 lakh for providing higher quantum of loans at slightly higher interest rates

1.3 The Government had increased the Authorized Share Capital of NMDFC from ₹1,500.00 crore to ₹3,000.00 crore in 2015 and had also revised the share holding pattern to 73:26:1 from 65:26:9 for Central Government, State Governments/UT Administrations and Institutions/Individuals respectively. The Government of India has contributed ₹1,970.00 crore as central equity to NMDFC till 31.12.2021 whereas States/UTs have contributed ₹385.41 crore. During the Financial Year 2021-22, Government of India contributed ₹100.00 crore and State Government/UT Administrations have Contributed ₹0.50 crore. Total paid-up capital as on 23.03.2022 is ₹2,355.92 crore.

1.4 NMDFC has disbursed loans amounting to ₹6,781.92 crore to cover 19.18 lakhs beneficiariessince its inception in 1994 till 31.12.2020. During the Financial Year 2020-21, NMDFC extended loans amounting to ₹650.41 crore to over 1.48 lakhs beneficiaries under its financing schemes. During the Financial Year 2021-

22 (as on 31.03.2022), NMDFC has extended loans amounting of ₹700 crore to over 1.60 lakhs beneficiaries under its financing schemes.

1.5 NMDFC implements its CSR programme for welfare of communities in and around areas where notified Minority communities clusters are located by extending support for Education, Healthcare & Nutrition, etc.

1.6 The Minority population of the notified minorities as per 2011 census is as follows:-

S.NO.	STATE	TOTAL POPULATION	MUSLIM	CHRISTIAN	SIKH	BUDDHIST	JAIN	TOTALMINORITYPOPULATION
1	Uttar Pradesh	199,812,341	38,483,857	359,662	6,39,399	199,812	219,794	39,902,524
2	Maharashtra	112,374,333	12,967,998	1,078,794	2,24,749	6,528,949	1,404,67	22,205,168
3	Bihar	104,099,452	17,561,578	124,919	20,820	20,820	20,820	17,748,957
4	West Bengal	91,276,115	24,653,679	657,188	63,893	282,956	63,893	25,721,609
5	Madhya Pradesh	72,626,809	4,771,581	210,618	152,516	217,880	566,489	5,919,085
6	Tamil Nadu	72,147,030	4,227,816	4,415,398	14,429	14,429	86,576	8,758,649
7	Rajasthan	68,548,437	6,217,343	95,968	870,565	13,710	623,791	7,821,377
8	Karnataka	61,095,297	7,893,512	1,142,482	30,548	97,752	439,886	9,604,181
9	Gujarat	60,439,692	5,844,518	314,286	60,440	30,220	580,221	6,829,685
10	Andhra Pradesh	49,386,799	4,721,378	661,783	24,693	19,755	29,632	5,457,241
11	Odisha	41,974,218	910,841	1,162,686	20,987	12,592	8,395	2,115,501
12	Telangana	35,193,978	4,462,596	457,522	14,078		26,395	4,960,591
13	Kerala	33,406,061	8,872,650	6,140,034	3,341	3,341	3,341	15,022,706
14	Jharkhand	32,988,134	4,793,176	1,418,490	72,574	9,896	16,494	6,310,630
15	Assam	31,205,576	10,678,548	1,167,089	21,844	56,170	24,964	11,948,615
16	Punjab	27,743,338	535,446	349,566	16,005,132	33,292	44,389	16,967,826
17	Chhattisgarh	25,545,198	516,013	490,468	68,972	71,527	61,308	1,208,288
18	Haryana	25,351,462	1,782,208	50,703	1,244,757	7,605	53,238	3,138,511
19	Delhi(UT)	16,787,941	2,158,929	146,055	570,790	18,467	166,201	3,060,442
20	J&K	12,541,302	8,566,963	35,116	234,522	112,872	2,508	8,951,981
21	Uttarakhand	10,086,292	1,407,038	37,319	236,019	15,129	9,078	1,704,583
22	Himachal Pradesh	6,864,602	149,648	12,356	79,629	78,943	2,059	322,636
23	Tripura	3,673,917	315,957	159,815	1,102	125,281	735	602,890
24	Meghalaya	2,966,889	130,543	2,213,003	2,967	9,791	593	2,356,897
25	Manipur	2,721,756	228,628	1,123,813	1,361	6,804	1,633	1,362,239
26	Nagaland	1,978,502	48,869	1,739,697	1,979	6,727	2,572	1,799,843
27	Goa	1,458,545	121,497	366,095	1,459	1,167	1,167	491,384
28	ArunachalPradesh	1,383,727	26,983	418,716	3,321	162,865	830	612,714
29	Puducherry (UT)	1,247,953	75,501	78,496	250	499	1,373	156,119
30	Mizoram	1,097,206	14,812	956,325	329	93,372	329	1,065,168
31	Chandigarh(UT)	1,055,450	51,400	8,760	138,369	1,161	2,005	201,696
32	Sikkim	610,577	9,891	60,508	1,893	167,237	305	239,835
33	Andaman and Nicobar Islands (UT)	380,581	32,426	80,988	1,294	343	38	115,088
34	DadraandNagar Haveli (UT)	343,709	12,923	5,121	206	619	1,203	20,073
35	Daman & Diu (UT)	243,247	19,265	2,822	170	219	292	22,768

36	Lakshadweep (UT)	64,473	62,268	316	6	13	13	62,616
	Total	1,210,720,939	173,328,280	27,742,976	20,829,403	8,422,214	4,467,241	234,790,115

CHAPTER-II

EQUITY STRUCTURE OF NMDFC

2.1 The Authorized Share Capital of NMDFC is ₹3,000.00 crore. Share of Central Government in the Equity of NMDFC is 73% i.e., ₹2,190.00 crore while that of the State Governments/UTs is 26% i.e., ₹780.00 crore and Individuals/Institutions interested in development of Minorities is 1% i.e., ₹30.00 crore .Paid-up Capital as on 31.03.2022 is ₹2,355.92 crore.

2.2 The details of earmarked and contributed status in Equity of NMDFC is as follows:-

(Amount in ₹ Lakhs)

Sl. No.	NAME OF THE STATE/UT	EQUITY TO BE CONTRIBUTED BY STATE/UT	ACTUAL EQUITY CONTRIBUTION RECEIVED
1	ANDAMAN & NICOBAR	44.65	0.00
2	ANDHRA PRADESH	1622.58	734.37
3	ARUNACHAL PRADESH	152.80	0.00
4	ASSAM	3829.51	1632.00
5	BIHAR	5688.12	2072.43
6	CHANDIGARH	78.10	78.05
7	CHHATTISGARH	389.32	388.66
8	DADRA NAGAR HAVELI	5.42	1.45
9	DAMAN & DIU	6.55	0.00
10	DELHI	960.65	960.33
11	GOA	186.68	0.00
12	GUJARAT	2034.15	1667.07
13	HARYANA	999.67	420.70
14	HIMACHAL PRADESH	113.40	113.70
15	J&K	2937.56	2937.50
16	JHARKHAND	2023.29	825.00
17	KARNATAKA	3244.90	3245.45
18	KERALA	5733.94	5733.97
19	LAKSHADWEEP	24.05	0.00
20	MADHYA PRADESH	1800.10	297.36
21	MAHARASHTRA	7157.24	2632.25
22	MANIPUR	383.78	25.00
23	MEGHALAYA	714.77	0.00
24	MIZORAM	351.52	199.60
25	NAGALAND	752.61	220.00
26	ORISSA	694.69	111.58
27	PONDICHERRY	52.38	59.93
28	PUNJAB	6303.24	960.00
29	RAJASTHAN	2342.66	2342.66

30	SIKKIM	81.12	0.00
31	TAMILNADU	2993.63	850.00
32	TELANAGANA	1766.80	0.00
33	TRIPURA	188.18	188.18
34	UTTAR PRADESH	13148.07	700.06
35	UTTARANCHAL	520.32	520.00
36	WEST BENGAL	8673.52	8673.76
	TOTAL	78000.00	38591.06

2.3 On being enquired about the number of times equity of NMDFC has been revised and the reasons due to which authorized share capital was increased from ₹1,500 crore to ₹3,000 crore and share holding of Central Government was revised from 65% to 73% in 2015, the Committee were *inter-alia* informed by the Ministry that:-

“Since inception, the equity of NMDFC has been revised six times as per details given below:-

S.No.	Enhancement of Authorized Share Capital (₹ in Crore)	Approval from the Govt. of India
1	500.00 to 650.00	22.12.2004
2	650.00 to 750.00	19.11.2007
3	750.00 to 850.00	22.09.2008
4	850.00 to 1000.00	09.09.2009
5	1000.00 to 1500.00	16.07.2010
6	1500.00 to 3000.00	17.02.2015

Share capital was increased from ₹1,500 crore to ₹3,000 crore and shareholding of Central Government was revised from 65% to 73% in 2015 in order to increase the capital available and the coverage of targeted minorities.”

2.4 The Committee were also informed by the Ministry that as a result of increase in the Share Capital, NMDFC could disburse more funds on year to year basis from 2016-17 onwards as per details given below:-

Year	Amount Channelised (₹ In Crore)
2014-15	431.20
2015-16	473.29
2016-17	503.32
2017-18	570.83
2018-19	603.66

2019-20	602.50
2020-21	650.41
2021-22	700.00

2.5 With regard to the reasons due to which equity share of Central Government/ State Governments /UT Administrations has not reached optimum level since 2015, the Committee were informed by the Ministry that:-

So far as Central Government is concerned, it has already contributed 89.95% of its share upto 31/5/2022 in the equity of NMDFC. However, State Governments/UT Administration has so far contributed only 49.71%. Details of the major States, which have not contributed or contributed very meager amount is as follows:-

(₹. In Cr)			
NAME OF THE STATE/UT	EQUITY TO BE CONTRIBUTED BY STATE/UT	ACTUAL EQUITY CONTRIBUTION RECEIVED	BALANCE
ANDHRA PRADESH	16.23	7.34	8.88
ASSAM	38.30	16.32	21.98
BIHAR	56.88	20.72	36.16
JHARKHAND	20.23	7.75	12.48
MADHYA PRADESH	18.00	2.97	15.03
MAHARASHTRA	71.57	26.32	45.25
PUNJAB	63.03	9.60	53.43
TAMILNADU	29.94	8.50	21.44
TELANAGANA	17.67	-	17.67
UTTAR PRADESH	131.48	7.00	124.48

2.6 When asked about the initiatives taken for contribution of State Governments , the Ministry submitted as under:-

“NMDFC on its part is regularly approaching the concerned State Governments/UT Administrations by writing letters, through Video Conferencing, personal visits etc. to contribute their earmarked share in the equity of NMDFC.”

2.7 On being enquired, whether the financial condition of NMDFC has prevented the Corporation from increasing the targets as the target of beneficiary fixed since 2019-20 has not increased much, the Ministry informed the Committee that:-

“The financial and physical targets for the financial year are fixed in the beginning of the Financial Year after taking into account the financial resources available

with NMDFC *i.e.* expected quarterly repayments from State Channelizing Agencies (SCAs), equity contribution by Central Government and State Governments/UT Administrations. The expected coverage of beneficiaries purely depends upon financial resources. NMDFC has already requested the Ministry to enhance the Authorized Share Capital of NMDFC from ₹3,000.00 crore to ₹5,000 crore.”

2.8 On being asked the reasons due to which schemes are availed in very limited number of States and by when the Corporation intend to extend schemes in all the States/ UTs as the Corporation has failed to make all the Schemes popular in all the States/Uts in the span of 26 years of its existence, the Committee are informed by the Ministry that:-

“The Government of India while increasing the Authorized Share Capital of NMDFC from ₹1,500.00 crore to ₹3,000 crore in February, 2015 has directed that further funds may not be provided to the SCAs who have defaulted in making repayments. Due to this, NMDFC restricted its financing in the States, where SCAs were chronic defaulters. However, to increase the coverage, NMDFC has signed MoU with Canara Bank with the objective to reach the targeted beneficiaries where the SCAs are not functional. During Financial Year 2021-22, NMDFC had channeled an amount of ₹15.00 crore through Canara Bank. The same was completely utilized by Canara Bank by disbursing the funds in States/Uts where SCAs of NMDFC are not functional. These States are Andhra Pradesh, Assam, Bihar, Chhattisgarh, Madhya Pradesh, Manipur, Nagaland, Odisha, Telangana, Punjab, Lakshadweep, Arunachal Pradesh, Meghalaya, Andaman& Nicobar, UT of Ladakh.”

2.9 On being enquired about the reasons due to which States/UTs have not been able to contribute their share and the implication of defaulting in contribution, the Ministry submitted that:-

“The reason for not making contribution in equity of NMDFC could be their financial position. Disbursement under NMDFC schemes has not been linked with pending equity contribution from a State/UT, as it will deprive the persons from the targeted groups living in such State/UT, from availing benefit under NMDFC schemes.”

2.10 The Committee find that the equity structure of NMDFC has been revised six times since its inception in 1994 from ₹500.00 crore to ₹3000.00 crore. The last revision was made in February 2015. However, the authorised share capital of the Central Government, as well as State Governments, have not reached the maximum level till date. The Central Government has contributed 89.95%, whereas State Governments have contributed only 49.71% up to 31.05.2022. The Committee are perturbed to note that some of the States/UTs viz., Arunachal Pradesh, Goa, Lakshadweep, Meghalaya, Sikkim, Telangana and Andaman & Nicobar Islands have not contributed even a single penny towards the equity of NMDFC. The Committee further note that the States of Andhra Pradesh, Assam, Bihar, Jharkhand, Madhya Pradesh, Maharashtra, Punjab, Tamil Nadu and Uttar Pradesh have contributed very meagre amounts. They are surprised to note that all efforts made by NMDFC to maximise the equity from State Governments have remained futile. The Committee are unable to comprehend the reasons for such non-cooperative behaviour of State Governments, despite being regularly approached. Presumably, States are well aware that the availability of funds would enable NMDFC to enhance their capacity to fund welfare schemes of the Government in the interest of the targeted sections residing in the States. Hence, they must contribute. The Committee would, therefore, recommend that this issue needs to be placed at the highest level so that contribution from the defaulting States can be realised. The Committee would also like the Ministry to take appropriate measures to increase awareness among the deprived sections of the Minority Community to avail benefits under various Schemes of NMDFC. The Committee note that NMDFC has approached the Ministry to increase the authorised share capital from ₹3,000 crore to ₹5,000 crore. They desire that the Ministry may examine and decide on it without further loss of time so that the proposal for increase in the authorised capital of NMDFC is approved.

CHAPTER-III

CREDIT SCHEMES OF NMDFC

TERM LOAN SCHEME

3.1 This scheme is for individual beneficiaries and is implemented through the State Channelising Agencies (SCAs). Under the Scheme, projects costing up to ₹20.00 Lakhs are considered for financing under Credit Line-1. NMDFC provides loan to the extent of 90% of the project cost. The remaining cost of project is met by the SCA and the beneficiary. Beneficiary has to contribute minimum of 5% of the project cost. The rate of interest charged from the beneficiary is 6% per annum. For credit line-2, up to ₹30.00 Lakh is given at the interest rate of 8% per annum for male beneficiaries and 6% per annum for women beneficiaries. Assistance under Term Loan Scheme is available for any of the following commercially viable and technically feasible venture.

- a) Agriculture & Allied
- b) Technical trades
- c) Small Business
- d) Artisan and traditional occupations, and
- e) Transport and services sector

3.2 As per the information furnished by the Ministry, the disbursement under Term Loan during the last four years and current financial year 2021-22 is as follows:-

(Amount in ₹ in crore)

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Loan disbursement	296.53	319.81	313.06	333.92	359.12
Beneficiaries	19,769	21,322	20,872	22,259	23,942

3.3 When asked about the State-wise details of actual amount disbursed and recovered by SCAs during the last three years, the Ministry furnished the following information:

					Amt. in ₹. Lakhs
SL. NO.	STATES/ UTs	NAME OF SCA	2017-18	2018-19	2019-20

			FUNDS DISBURSED	FUNDS RECOVERED	FUNDS DISBURSED	FUNDS RECOVERED	FUNDS DISBURSED	FUNDS RECOVERED
1	CHANDIGARH	CSCBCMFD	10.90	9.96	16.45	11.39	14.40	12.73
2	GUJARAT	GMFDC	320.31	132.59	288.14	123.17	340.38	102.42
3	HARYANA	HBCKN	644.00	133.23	300.00	167.19	659.00	195.07
		MDA	11.07	7.75	37.13	16.18	74.25	43.8
4	HIMACHAL PRADESH	HPMFDC	321.25	231.96	407.34	353.71	442.62	382.79
5	JAMMU & KASHMIR	JKWDC	819.5	1031.61	1176.67	1057.26	1197.61	851.16
		JKSCSTBCDC	81.91	11.00	388.43	63.49	264.69	99.06
		JKEDI	5449.04	2328.22	3451.98	2549.43	947.30	2830.26
		JKSFC	983.37	116.27	2000.00	514.49	1517.94	741.64
6	KERALA	KSBCDC	9856.71	4891.87	11062.84	6614.78	12009.43	9020.89
		KSWDC	5643.06	3436.52	5783.62	4033.31	4593.98	4751.96
		MATSYAFED	2897.41	1994.00	3173.91	2703.93	2661.92	2873.85
		KSMDFC	1125.04	974.12	1395.53	1253.25	869.76	1436.76
7	KARNATAKA	KMDC	222.18	298.23	279.39	223.07	123.16	296.23
8	PUNJAB	BACKFINCO	196.13	684.13	1.65	601.69	1.08	454.59
9	RAJASTHAN	RMFDCC	1155.30	1156.95	686.36	1252.27	396.35	910.32
10	TRIPURA	TMDC	2749.76	667.84	404.62	780.32	75.27	641.23
11	UTTRAKHAND	UAKTWVN	15.30	30.35	85.36	40.62	4.97	24.02
12	WEST BENGAL	WBMDFC	6513.00	4158.69	7964.01	4907.94	4170.37	5406.22

3.4 The State-wise details of beneficiaries under various sectors in Term Loan Scheme under Credit Line-1 & 2 for 2017-18, 2018-19 and 2019-20 are as follows:-

2017-18											
Sl. No	States/UTs	(CREDIT LINE-1)					(CREDIT LINE-2)				
		Agriculture & Allied	Technical trades	Small business	Artisan & traditional occupation	Transport and service sector	Agriculture & Allied	Technical trades	Small business	Artisan & traditional occupation	Transport and service sector
		BENEFS.	BENEFS.	BENEFS.	BENEFS.	BENEFS.	BENEFS.	BENEFS.	BENEFS.	BENEFS.	BENEFS.
1	CHANDIGARH	0	0	39	0	0	0	0	0	0	0
2	DELHI	0	0	11	0	0	0	0	0	0	0
3	GUJARAT	89	10	204	14	22	1	3	5	1	0
4	HARYANA	10	69	485	31	98	0	0	0	0	0
5	HIMACHAL PRADESH	6	1	83	0	0	0	0	5	0	0
6	J & K	233	184	1344	112	107	35	21	238	10	7
7	KERALA	1856	383	2562	181	213	83	3	258	13	37
8	KARNATAKA	0	2	17	0	2	0	0	0	0	0
9	MIZORAM	304	0	84	30	0	0	0	0	0	0
10	PUNJAB	110	1	6	0	0	0	0	0	0	0
11	RAJASTHAN	81	0	448	37	347	0	0	50	3	38

12	TAMIL NADU	15	1270	5561	0	0	0	0	0	0	0
13	TRIPURA	28	0	619	0	196	0	0	0	0	0
14	UTTRAKHAND	4	1	9	0	0	0	0	0	0	0
15	WEST BENGAL	7	0	10303	0	0	0	0	0	0	0

2018-19

Sl. No	States/ UTs	(CREDIT LINE-1)					(CREDIT LINE-2)				
		Agriculture & Allied	Technical trades	Small business	Artisan & traditional occupation	Transport and service sector	Agriculture & Allied	Technical trades	Small business	Artisan & traditional occupation	Transport and service sector
		BENEFS	BENEFS.	BENEFS.	BENEFS.	BENEFS	BENEFS	BENEFS.	BENEFS.	BENEFS.	BENEFS
1	CHANDIGARH	0	0	59	0	0	0	0	2	0	0
2	CHHATTISGARH	0	2	25	0	0	0	0	0	0	0
3	DELHI	0	0	15	0	0	0	0	0	0	0
4	GUJARAT	40	3	204	3	0	1	0	4	0	0
5	HARYANA	15	43	653	0	0	0	0	0	0	0
6	HIMACHAL PRADESH	4	3	110	0	0	0	0	0	0	0
7	JAMMU & KASHMIR	145	172	1287	159	58	20	26	192	17	10
8	KERALA	1899	615	2508	7	194	75	6	214	2	28
9	KARNATAKA	1	21	19	0	0	0	0	0	0	0
10	MIZORAM	30	0	60	40	0	0	0	0	0	0
11	RAJASTHAN	66	0	236	20	83	0	0	26	2	9
12	TAMIL NADU	70	1967	5645	0	0	0	17	0	0	0
13	TRIPURA	8	0	72	0	17	0	0	0	0	0
14	UTTRAKHAND	12	0	61	0	0	0	0	0	0	0
15	WEST BENGAL	9	0	10533	1	0	0	0	0	0	0

2019-20

Sl. No	States/ UTs	(CREDIT LINE-1)					(CREDIT LINE-2)				
		Agriculture & Allied	Technical trades	Small business	Artisan & traditional occupation	Transport and service sector	Agriculture & Allied	Technical trades	Small business	Artisan & traditional occupation	Transport and service sector
		BENEFS	BENEFS	BENEFS.	BENEFS.	BENEFS.	BENEFS	BENEFS.	BENEFS.	BENEFS.	BENEFS.
1	CHANDIGARH	0	0	47	0	0	0	0	0	0	0
2	CHHATTISGARH	8	11	39	0	1	0	0	0	0	0
3	DELHI	0	0	10	0	0	0	0	0	0	0
4	GUJARAT	61	3	148	17	11	3	0	0	0	0
5	HARYANA	52	25	578	1	1	0	0	0	0	0
6	HIMACHAL PRADESH	4	1	112	0	0	0	0	0	0	0
7	JHARKHAND	0	12	203	0	0	0	0	0	0	0
8	J&K	76	96	663	112	4	8	15	82	21	1
9	KERALA	1518	223	1915	318	172	92	21	175	15	28

10	KARNATAKA	6	4	2	0	0	0	0	1	0	0
11	MIZORAM	140	0	218	72	0	0	0	0	0	0
12	RAJASTHAN	1	0	125	11	26	0	0	13	1	3
13	TAMIL NADU	179	1791	5127	0	0	0	33	0	0	0
14	TRIPURA	1	0	8	0	0	0	0	0	0	0
15	WEST BENGAL	8	0	4797	2	0	0	0	0	0	0

3.5 As per the information furnished by the Ministry, the percentage of funds utilised by SCAs, activity-wise is as under:-

Sl. No.	Name of Activities	Percentage of Fund Utilization by SCAs
1.	Agriculture & Allied	22.49%
2.	Technical Trades	3.44%
3.	Small Business	66.81%
4.	Artisan & Traditional Occupation	3.26%
5.	Transport and Services Sector	4.00%

3.6 On being enquired about the reasons for less utilisation of funds by SCAs on some of the activities, the Committee were informed by the Ministry that:-

“Fund disbursement under Term Loan scheme of NMDFC is demand driven. Thus funds drawn under each sector is based on actual demand received from the beneficiaries”

II. EDUCATIONAL LOAN SCHEME

3.7 This scheme is for the individual beneficiaries and is implemented through the SCAs. NMDFC extends educational loans with an objective to facilitate job-oriented education for the eligible persons belonging to minority communities. Under this scheme, loan of up to ₹20.00 lakh under credit line - 1 & 2 is available for ‘technical and professional courses’ in India having duration upto five years. Further, for courses abroad, maximum amount of ₹30.00 lakhs is available under credit line-1 & 2 for course duration of maximum 5 years. Funds for this purpose are made available to the SCAs at an interest rate of 1 % per annum under Credit Line-1 for on-lending to the beneficiaries at 3% interest per annum. Under credit line -2, funds are made available to the SCAs at an interest rate of 2% per annum for on- lending to the beneficiaries at 8% interest per annum for male beneficiaries and at 5% per annum for women beneficiaries. The loan is payable in maximum five years. The repayment shall start after 6 months from completion of the course or getting a job, whichever is earlier.

3.8 As per the information provided by the Ministry, the details of the applications received and the number of beneficiaries under Education Loan Scheme from 2017-18 to 2020-21 is as follows:-

Sl. No.	STATes/ UTs	2017-18		2018-19		2019-20		2020-21	
		NO. OF APPLICATION RECEIVED	NO. OF BENEFICIARIES FINANCED	NO. OF APPLICATION RECEIVED	NO. OF BENEFICIARIES FINANCED	NO. OF APPLICATION RECEIVED	NO. OF BENEFICIARIES FINANCED	NO. OF APPLICATION RECEIVED	NO. OF BENEFICIARIES FINANCED
1	CHANDIGARH	1	1	0	0	0	0		
2	CHHATTISGARH	0	0	1	1	0	0		
3	DELHI	1	1	4	2	2	2	2	2
4	GUJARAT	103	80	62	48	43	36		
5	HARYANA	7	7	3	1	0	0		
6	HIMACHAL PRADESH	5	3	3	1	5	2	2	2
7	JAMMU & KASHMIR	164	164	146	144	98	90	24	22
8	KERALA	535	449	343	319	412	386	419	400
9	KARNATAKA	24	24	15	15	15	15		
10	RAJASTHAN	71	69	53	52	52	50	10	6
11	TAMIL NADU	6	1	12	9	15	9		
12	TRIPURA	46	32	43	24	33	1		
13	UTTRAKHAND	0	0	2	2	0	0		
14	WEST BENGAL	2639	2498	2708	2504	2186	1966	2066	1999

3.9 The Ministry further informed that during the last five years, 16,011 beneficiaries had availed assistance under the Education Loan scheme of NMDFC. There were 4,361 female beneficiaries and 11,650 male beneficiaries. The percentage of female beneficiaries financed under Education Loan scheme is 27.24%.

3.10 On being enquired about the funds available under the educational loan scheme during each of the last five years and the reasons due to which all the applicants were not sanctioned loan during 2017-18, 2018-19 and 2019-20 and 2020-21, the Committee were inter-alia informed that:-

“Educational Loan scheme of NMDFC is a part of Term Loan scheme. SCAs can utilize 10% of the funds availed under Term Loan scheme during the F.Y. for meeting educational loan requirement and equally 10% for meeting committed liability towards old sanctioned cases. Non-submission of the

required documents is the main reason for not considering the application, as informed by the SCAs.”

3.11 The details of funds utilized by SCAs during the last five years under the Scheme is as follows:

STATE	NAME OF SCA	2017-18		2018-19		2019-20		2020-21		2021-22	
		Amt.	Benfs.	Amt.	Benfs.	Amt.	Benfs.	Amt.	Benfs.	Amt.	Benfs.
CHHATISGARH	CHACDFC			0.153	2						
DELHI	DSFDC	0.010	1	0.100	2	0.100	4	0.030	2		
GUJARAT	GMFDC			0.687	46	0.893	50				
HARYANA	HBCKN			0.000	0					0.004	1
	MDA	0.057	6	0.020	2						
HIMACHALPRADESH	HPMFDC	0.150	3	0.037	1	0.080	6	0.060	2	0.108	2
JAMMU&KASHMIR	JKEDI	9.431	130	8.847	113	1.740	58			0.769	29
	JKSFC	0.181	5			0.080	3				
	JKWDC	0.882	41	1.724	151	1.328	27	1.320	22	1.902	33
	JKSCSTBCDC					0.167	3	0.160	0	0.015	1
KARNATAKA	KMDC	2.160	51							1.208	40
KERALA	KBCDC	14.568	338	11.811	155	9.514	183	7.050	158	6.483	83
	KSCFFDC							0.010	1		
	KSMDFC	2.399	203	4.500	247	5.019	179	5.160	224	9.440	245
	KSWDC	0.126	3	0.198	3	0.494	17	0.480	17	0.599	18
PUDUCHERRY	PDBCMDC										
PUNJAB	BACKFINCO	0.080									
RAJASTHAN	RMFDCC	1.699	51							1.079	39
TAMILNADU	TAMCO	0.009	1	0.132	9	0.201	9	0.070	6	0.077	7
TRIPURA	TMDC	1.031	34			0.387	1			0.481	20
UTTARPRADESH	UPMFDC					0.449	21				
UTTRAKHAND	UMFDC			0.050	2	0.050	2			0.083	4
WESTBENGAL	WBMDFC	11.250	2498	21.830	2504	17.471	1966	24.030	1999	14.3	1304
GRANDTOTAL		44.031	3,365	50.089	3,237	37.973	2,529	38.370	2,431	36.55	1,826

3.12 On being enquired about the steps taken for better performance of the Scheme as it has been observed in one of the evaluation studies on the functioning of NMDFC that only 40% students were stated to have utilized NMDFC loans for higher studies, the Ministry submitted that:-

“Assistance under Education Loan Scheme of NMDFC is available for professional and job oriented courses. The loaning under NMDFC schemes including Education Loan scheme is demand driven. As per the Impact study report of 2017-18, nearly 66.80% of Education Loan were availed for courses such as B.Tech, MBBS, MCA& MBA courses. During Impact Study got conducted during 2018-19, it was reported that nearly 65% loan have been availed for courses such as B.Tech, MBBS, B. Pharma. Nearly 77% students got employment in Government/Private sector while 3% students are self-employed. Thus 80% of the students got gainful employment after availing assistance under Education Loan Scheme of NMDFC.”

3.13 On being enquired about the steps taken to promote/ popularize the scheme among the female students so that they can pursue their desired vocation as the present share of female beneficiaries financed under the scheme is only 27.24 per cent, the Ministry submitted to the Committee that:-

“Under education loan rate applicable for male is 8% and female is 5%. Interest rate is offered to female students to encourage them to avail Education Loan Scheme for undertaking higher/technical courses”

3.14 When asked whether the amount of education loan sanctioned to each student is sufficient for a chosen course, the Committee were informed that:-

“Under the Educational Loan Scheme of NMDFC, a maximum amount of up to ₹30.00 lakh is available @ ₹6.0 lacs per annum for pursuing Professional and Job Oriented Courses for Foreign Studies and ₹20.00 lakh is available @ ₹4.0 lakh per annum for Domestic Courses. Presently there is no demand from any SCA to increase this limit.”

3.15 On being enquired about the employment status of the students who have availed educational loan, the Committee were informed by the Ministry that:-

“SCAs have informed that they are not maintaining such data. However, as per Impact Study Report of 2018-19, nearly 77% students got employment in Govt./Private Sector while 3% were self employed. Thus, nearly 80% students were gainfully employed.”

III. VIRASAT SCHEME

3.16 This scheme aims to meet credit requirements of the Artisans, both in terms of Working capital & Fixed capital requirement of equipment/tools/machineries. Maximum loans of upto ₹10.00 lakh can be availed under this scheme. Recently Credit Line -2 is being introduced under this scheme wherein beneficiaries with higher Annual family income upto ₹8.00 lakh can also avail loan. Under Credit Line-1, the loan is available at simple interest of 5% per annum for Male Artisans and with 1% concession for Female Artisans at simple interest of 4% per annum. Under Credit Line-2, the loan is available at simple interest of 6% per annum for Male Artisans and with 1% concession for Female Artisans at simple interest of 5% per annum.

3.17 The details of gender wise data of beneficiaries financed under the Scheme from 2018-19 to 2021-22 is as follows:-

Sl. No.	State	Scheme	2018-2019		2019-2020		2020-2021		2021-2022		Grand Total	
			Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
1	GUJARAT	Virasat	0	0	54	19	0	0	-	-	54	19
2	JAMMU & KASHMIR	-do-	0	8	0	0	0	3	-	-	0	11
3	KERALA	-do-	0	0	0	0	0	88	-	-	0	88
4	CANARA BANK	-do-	0	0	0	0	0	0	196	102	196	102
	Total		0	8	54	19	0	91	196	102	250	220

3.18 On being enquired about the reasons due to which the Scheme has not gained popularity in all the States/UTs, the Committee were informed by the Ministry that:-

“Virasat scheme was introduced in the F.Y. 2018-19 and with the association of Canara Bank, the scheme has picked up and it has disbursed loan amount of ₹4.16 crore for assisting 298 artisans under the scheme during F.Y. 2021-22.”

3.19 When asked about the steps taken to ensure that the Scheme is widely availed by craftsmen and traditional artisans across the country to achieve the objectives of the Scheme, the Committee were informed by the Ministry that:-

“SCAs are encouraged by NMDFC to avail funds under the scheme. Canara Bank has also started implementation of Virasat scheme and disbursed an amount of ₹4.16 crore under the scheme during Financial Year 2021-22. NMDFC is also placing one Stall exclusively to promote the scheme during the HunarHaats organized by the Ministry of Minority Affairs in different parts of the country. Employees of Canara Bank/NMDFC/SCA are deputed throughout the Fair for providing information and providing Application Form to the Artisans.”

IV. MICRO-FINANCING SCHEME

3.20 Under Micro Financing Scheme, credit is extended to the members of the Self Help Groups (SHGs), mainly through SCAs & also NGOs of proven track record and their network of SHGs. Under this scheme, small loan up to a maximum of ₹1.00 lakh per member of SHG is provided. Funds are given to the NGOs/SCAs at an interest rate of 1%, per annum which further on-lend to the SHGs, at an interest rate not more than 7% per annum under Credit Line-1. Under credit line-2, ₹1.50 lakh per member of SHG is given at an interest rate not more than 10% per annum for male beneficiaries and 8% per annum for women beneficiaries. The repayment period under the scheme is maximum of 36 months.

3.21 The Financial and Physical Achievements under the Scheme during the last four years and for the current financial year is as follows:-

(₹ in Crore)

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Loan disbursement	274.30	283.85	289.44	316.49	340.88
Beneficiaries	1,09,720	1,13,540	1,15,777	1,26,597	1,36,352

3.22 The details of number of SHGs and women beneficiaries assisted under Micro-Finance Scheme from 2015-16 to 2020-21 is as follows:-

Sl.No	STATE/UTs	2015-16		2016-17		2017-18		2018-19		2019-20		2020-21	
		NO. OF SHG	Women Beneficiaries Assisted	NO. OF SHG	Women Beneficiaries Assisted	NO. OF SHG	Women Beneficiaries Assisted	NO. OF SHG	Women Beneficiaries Assisted	NO. OF SHG	Women Beneficiaries Assisted	NO. OF SHG	Women Beneficiaries Assisted
1	HARYANA	0	0	0	0	0	0	10	78	21	165	21	174
2	JAMMU & KASHMIR	20	159	17	105	22	149	13	77	14	83	19	115
3	KERALA	923	13752	1355	17165	3452	18989	4050	24709	3249	20427	4770	28622
4	NAGALAND	0	0	0	0	35	511	67	1042	20	417		
5	PUDUCHRY	51	528	5	50	0	0	0	0	0	0		
6	RAJASTHAN	12	128	2	17	3	11	1	10	0	0		
7	TAMIL NADU	450	6730	369	5312	383	5458	402	5508	353	4963	291	4087
8	WEST BENGAL	9093	107041	8937	102005	9404	106999	9692	108564	9503	101077	7683	107574

3.23 On being asked the reasons due to which the Scheme is confined to some States and the steps taken to popularise the Scheme in all the States/UTs, the Ministry stated that:-

“It may be seen that since inception NMDFC has channeled Micro Finance through 20 States/UTs i.e Andhra Pradesh, Assam, Bihar, Chattisgarh, Gujarat, Haryana, Jammu & Kashmir, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Mizoram, Nagaland, Orissa, Puducherry, Rajasthan, Tamil Nadu, Tripura, Uttar Pradesh and West Bengal. SCAs which have defaulted in repayments are not eligible to draw funds from NMDFC, as a result Micro Finance has confined to the States which are regular in repayments to NMDFC. NMDFC is taking up the matter with the respective State Govt. to settle the overdue in order to resume financing. Apart from this, NMDFC has started allocating notional funds under

Micro Finance to other SCAs also. Recently, Canara Bank has also provided Rs. 3.45 crore to 156 women from SHGs under the Micro Finance Scheme during 2021-22”

3.24 On being enquired whether the Government has any plan to reduce the burden of high rate of interest being charged from the beneficiaries, the Ministry submitted that:-

“Financing under Credit Line-1 is at the rate of 7% p.a from the ultimate beneficiary/SHG. NMDFC charges 1% p.a interest from the SCA/NGO while SCA charges 7% p.a from the SHG/beneficiary and thus gets margin of 6% p.a interest, if it implements the scheme directly. In case SCA implements through NGO, the SCA charges 2% p.a from the NGO and the NGO in turn charges 7% p.a from the SHG/Beneficiary thereby getting 5% p.a interest margin. It may be mentioned here that higher margin is provided to the SCA/NGO to help them meet expenditure for formation, nurturing and regular monitoring of the SHGs before and after extending micro-credit. Any reduction in the interest margin shall have adverse impact in implementation of micro-finance scheme at the level of the SCA/NGO. It may also be mentioned here that rate of interest charged under micro-finance scheme is the one of the lowest in the market.”

3.25 The Committee are constrained to note that the credit schemes of NMDFC namely Term loan scheme, Educational loan scheme, Virasat scheme and Micro- Financing Scheme, which are meant for providing concessional loans for self-employment and income generation activities have not benefitted the notified Minority population of over 23 crore in the Country, as per 2011 census. The Committee are further perturbed that there are no beneficiaries even in the States of Maharashtra, Bihar, Assam, Odisha, and Telangana, where substantial minority population exists, under all the Credit Schemes of NMDFC. As per the information provided to the Committee, the Term Loan Scheme has been able to make inroads in 17 States/ UTs, Educational loan Scheme in 14 States/ UTs and Virasat Scheme in only 3 States/ UTs. The Committee feel that perhaps the implementation of these Schemes is flawed since it cannot be assumed that there is no demand for these Schemes in all States/ UTs, from the Minority communities. The Committee, therefore, feel that the Ministry of Minority Affairs needs to re-examine their implementation strategy and

identify factors which are becoming a hurdle in popularising these Schemes in all the States/ UTs and take requisite action to plug the flaws. The Committee also suggest that perhaps there are more successful similar schemes run by State Governments, hence the utility of the NMDFC schemes may be examined in the light of the similar schemes made available by the State Governments/UT Administrations and such Schemes may be discontinued/revamped if found to be not preferred over the schemes of State Governments. The Committee may be apprised of the outcome of the action taken by the Ministry in this regard.

3.26 The NMDFC extends Educational loans intending to facilitate job-oriented education for eligible persons belonging to minority communities. The Committee are astonished to find that only 16,011 beneficiaries have availed assistance under the Educational Loan Scheme of NMDFC in the last five years. Besides, the Ministry has provided the information of the beneficiaries under Education Loan Scheme for 14 States/UTs only. The Committee are quite perturbed to note that the States having a large population of minority Communities viz., Maharashtra, Bihar, Punjab and Assam do not have even a single beneficiary under the Educational Loan Scheme and wonder whether adequate awareness is missing about the Scheme. The Committee also find that some of the applications received for education loans were not considered due to the non-submission of required documents. They feel that every effort should be made by NMDFC/SCAs to provide the necessary assistance to applicants so that their applications are not rejected for lack of documents, particularly when achievement under the Education Loan Scheme is quite dismal. The Committee are also livid that the SCAs do not maintain the data of the candidates who are gainfully employed after they completed their education with the loan from NMDFC because such data only can ascertain the success of the scheme in not only fulfilling the objective but also to ensure that the loan sanctioned is paid back by the beneficiaries otherwise

there are chances of the loan remaining unpaid in case the beneficiaries stay unemployed for long. The Committee are also of the strong opinion that the quantum of Education loans needs to be periodically assessed in the light of the rising cost of education so that students availing of loans do not face financial crisis during their studies and drop out.

3.27 The Committee note that Virasat Scheme was started in 2018-19 to meet the credit requirements of the artisans in terms of working capital as a large number of artisans belonging to Minority Communities face a cash crunch to meet their working capital for the purchase of raw material. It seem to the Committee that the Scheme did not pick up initially as only 8 persons from Jammu & Kashmir and 73 persons from Gujarat could get benefit from this Scheme in 2018-19 and 2019-20, respectively. However, later the Scheme picked up with the association of Canara Bank as they have statedly assisted 298 artisans in 2021-22. The Committee believe that since the Scheme is relatively new and the COVID Pandemic was prevalent during the major part of the period 2018 - 2021, it did not perform so well. However with the recent spurt in the number of beneficiaries, the Committee are hopeful that the Scheme will be successful as it has shown encouraging results with the association of Canara Bank. The Committee would like to see more Public Sector Banks and Regional Rural Banks associated with the Scheme so that the benefits are availed by craftsmen and traditional artisans all over the Country. The Committee would also like the Ministry to take effective measures to popularize the Scheme among artisans, particularly in rural and semi-urban areas so that many regional traditional crafts, which are on the verge of extinction, can be preserved. The Ministry should also collect feedback/suggestions from all the stakeholders to introduce changes that might be required to further promote the Scheme among artisans belonging to minority communities.

3.28 The Committee are concerned to find that the beneficiaries from 8 States/ UTs only have availed loans under the Micro-Finance Scheme since 2015-16 and the rate of interest charged on the loan sanctioned under the Scheme is 7% in Credit Line-I and 10% in Credit Line-2. Maximum beneficiaries belong to West Bengal, Tamil Nadu, Kerala and Jammu & Kashmir. The Committee are of the strong view that the 7% and 10% interest rate charged from the beneficiaries by the State Channelising Agencies is rather on the high side as the scheme is conceived to cater to the requirement of the poor members of the Self Help Groups to meet their livelihood particularly when the interest charged by NMDFC is only 1% from SCAs. To popularize the Microfinance Scheme, the Committee opine that the interest rate charged is required to be re-examined and revised so that a large number of individuals get attracted to the Scheme. The Committee would like to be informed of the measures taken to popularize the Scheme in all the States/ UTs.

CHAPTER-IV

PROMOTIONAL SCHEMES OF NMDFC

I. MAHILA SAMRIDHI YOJANA

4.1 It is a unique scheme linking micro-credit with the skill training to the women members formed into SHGs, in women friendly trades such as tailoring, cutting and embroidery, etc. It is being implemented through the State Channelising Agencies of NMDFC. Under the MahilaSamridhi Yojana, training is given to a group of around 20 women in any suitable women friendly craft activity. The women are formed into Self Help Group during the training itself. Later, micro-credit is provided to the members of the SHG so formed. The maximum duration of the training is six months with maximum training expenses of ₹1,500 p.m. per trainee. During the training, a stipend of ₹1,000 p.m. is also paid to the trainees. The training cost and stipend is met by NMDFC as grant. After the training, need based micro credit, subject to a maximum of ₹1.00 lakh is made available to each member of SHG, so formed, at simple interest rate of 7% per annum.

4.2 The details of women beneficiaries under the Scheme during the last five years are as follows:-

S.No.	State/UT	No. of beneficiaries
1	J&K	874
2	Maharashtra	40
3	Rajasthan	100
4	Tripura	120
5	Uttarakhand	40
6	Uttar Pradesh	40
TOTAL		1214

4.3 On being enquired about the popular craft activities among the women beneficiaries, the Committee were informed by the Ministry that:-

“Training under the MSY is imparted in any women-friendly trade such as Cutting /Tailoring & Embroidery, Jute Accessories, Jute Bags / Fancy Bags, Soft Toys, Fabric Arts, Fashion Designing, Zari Zardozi etc. Micro credit is extended to SHG member after completion of the training program under MSY, for pursuing any women friendly trade for self-employment & income generation activity.”

II. MARKETING ASSISTANCE SCHEME

4.4 The Marketing Assistance Scheme is meant for individual crafts-persons, beneficiaries of NMDFC as well as SHGs and is implemented through the SCAs. With a view to support the crafts-persons to promote marketing and sale of their products at remunerative prices, NMDFC assists the SCAs in organizing State /District level exhibitions at selected locations. In these exhibitions, handloom/handicraft products of crafts-persons belonging to Minority Communities are exhibited and sold. During the exhibition, stalls are provided free of cost and TA/DA is also provided to crafts persons as per scheme. Such exhibitions also provide opportunity for organizing “buyer-seller meet”, which is considered very useful for product development and market promotion, for domestic market as well as for exports. NMDFC provides grants to SCAs for organizing exhibitions.

4.5 The details of exhibitions organised during 2016-17 to 2020-21 by SCAs are as follows:-

Year	State	Name of the SCA organized Exhibition	Exhibition Name	Period	Amount ₹ in Lakhs	
					No of Beneficiaries	Sales during the Exhibition
2016-17						
1	Jammu & Kashmir	JKWDC	Jammu	20/11/2016 to 29/11/2016	80	25.16
2	Jammu & Kashmir	JKWDC	Chandigarh	05/01/2017 to 14/01/2017	80	41.45
3	Kerala	KSBCCDC	Palakkad	26/12/2016 to 02/01/2017	46	78.00
2017-18						
1	Jammu & Kashmir	JKWDC-I	Chandigarh	19/11/2017 to 08/12/2017	71	30.50
2	Jammu & Kashmir	JKWDC -II	Jammu	10/01/2018 to 19/01/2018	73	29.85
3	NAGALAND	NSSWB	Kohima	01/12/2017 to 10/12/2017	40	38.58
4	KERALA	KSBCCDC	Alleppey	26/12/2017 to 02/01/2018	80	152.00
2018-19						
1	GUJRAT	GMFDC	Gandhinagar	14/02/2019 to 28/02/2019	40	10.88
2	Jammu & Kashmir	JKSCST	Jammu	22/12/2018 to 30/12/2018	39	34.42
3	Jammu & Kashmir	JKWDC	Chandigarh	15/01/2019 to 24/01/2019	73	46.34
4	Nagaland	NSSWB	Kohima	01/12/2018 to 10/12/2018	40	62.19
5	Jammu & Kashmir	JKWDC	Jammu	18/11/2018 to 27/11/2018	67	42.32
2019-20						
1	Gujrat	GMFDC	Gandhinagar	06/03/2020 to 20/03/2020	80	19.94
2	Jammu & Kashmir	JKWDC	Chandigarh	26/12/2019 to 02/01/2020	79	38.61
3	Kerala	KSBCCDC	Palakkad	24/02/2020 to 02/03/2020	80	200.00

2020-21						
1	Gujarat	GMFDC	Gandhinagar	08/02/2021 to 22/02/2021	80	25.03
2	Rajasthan	RMFDC	Urban Haat, Jaipur	28/02/2022 to 14/03/2022	80	3.86

4.6 On being enquired about the reasons due to which Marketing Assistance Scheme has not taken off well and the steps being taken in this regard, the Ministry of Minority Affairs submitted that:-

“The Marketing Assistance Scheme of NMDFC is meant for individual crafts-persons, beneficiaries of NMDFC as well as SHGs and is implemented through the SCAs. NMDFC provides grant for organizing exhibitions. Consequent upon the organizing of HunarHaat by Ministry as a Mega Event in various parts of the country, Artisans participates directly in the HunarHaat and SCAs are also encouraged to sponsor their beneficiaries for participation in HunarHaat.”

4.7 The Promotional Schemes viz ., Mahila Samridhi Yojana and Market Assistance Scheme are being run by NMDFC through the State Channelising Agencies in the Country. Under Mahila Samridhi Yojana, training is given to a group of around 20 women in any suitable women-friendly craft activity whereas, in Marketing Assistance Scheme, NMDFC assists the SCAs in organizing State/ District level exhibitions at selected locations. The Committee are surprised to find that during the last five years, only 1214 women from the States of Maharashtra, Rajasthan, Tripura, Uttarakhand, J&K and Uttar Pradesh have benefitted from the Scheme. The Committee are further surprised with the frequency of the exhibitions organized as only 17 exhibitions were organized in Jammu & Kashmir, Kerala, Gujarat, Nagaland and Rajasthan in the six years period from 2016-17 to 2020-21 under Market Assistance Scheme. The Committee desire to be apprised of the reasons for the slow progress of these Schemes as well as the action envisaged by NMDFC to address any shortcomings leading to poor performance of the Schemes. They feel that only SCAs should not be made responsible for the poor implementation of these Schemes as the Ministry is expected to take concrete and continuous

efforts for making their Schemes successful. Since the onus of the overall performance lies with the Ministry as well as NMDFC, the Committee would like them to act now so that the noble objectives to provide micro-credit assistance after adequate training to minority women and marketing assistance to the members of the Minority Communities are not defeated.

CHAPTER-V

STATE CHANNELISING AGENCIES (SCAs)

5.1 The State Channelising Agencies (SCAs) are the main channel for implementing the schemes of NMDFC. The SCAs are nominated by the respective State Governments / UT Administrations. Funds to SCAs are released against Sovereign Guarantee issued by respective State Governments/UT Administrations. At present, NMDFC has 45 SCAs in 27 States & 8 UTs. Most of the SCAs implementing NMDFC schemes are Corporations registered under Companies Act. The role of SCAs is to implement financing schemes of NMDFC which includes sanction and disbursement of loan, Record keeping, Recovery of loan from the beneficiaries and repayment to NMDFC. Promotional Schemes *viz.*, MahilaSamridhi, Marketing Assistance Scheme and Kaushal se Kushalta Scheme are also implemented through the SCAs.

5.2 As per the information furnished by the Ministry, presently 39 SCA's are operational while 06 SCAs are non-operational mainly due to reasons like pending General Loan Agreement and furnishing of Government Guarantee by the respective State Governments/ UT Administrations. The SCAs functioning in the States/UTs are as follows:-

S.No.	State	SCA
1	Andhra Pradesh	Andhra Pradesh State Minorities Development & Finance Corporation (APSMFC)
2	Assam	Assam Minorities Development & Finance Corporation (AMDFC)
3	Bihar	Bihar State Minorities Financial Corporation (BSMFC)
4	Chandigarh	Chandigarh Scheduled Caste, Backward Classes & Minorities Financial & Development Corporation (CSCBCMFC)
5	Chhatisgarh	Chhatisgarh State Antyavasai Sahakari Vitta Evum Vikas Nigam (CGSASVN)
6	Delhi	Delhi SC/ST/OBC Minorities & Handicapped Financial & Dev Corporation (DSFDC)
7	Gujarat	Gujarat Minorities Finance and Development Corporation (GMFDCC)
8	Haryana	Mewat Development Agency (MDA)
9	Haryana	HBCKN (Haryana Backward Classes & Economically Weaker Sections Kalyan Nigam Pvt. Ltd)
10	Himachal Pradesh	H.P. Minorities Finance and Development Corporation (HPMFC)
11	Jharkhand	Jharkhand State Minorities Finance & Development Corporation (JSMDFC)
12	J&K	J&K Women's Development Corporation (JKWDC)
13	J&K	J&K SCs/STs & Bcs Development Corporation (JKSCSTBCDC) J&K
14	J&K	Entrepreneurship Development Institute (JKEDI)
15	J&K	Jammu & Kashmir And Ladakh Finance Corporation (JKLFC)
16	Kerala	Kerala State Backward Classes Development Corporation (KSBCDC)
17	Kerala	Kerala State Women's Development Corporation (KSWDC)
18	Kerala	Kerala State Cooperative Federation for Fisheries Development (MATSYAFED)
19	Kerala	Kerala State Minorities Development and Finance Corporation (KSMDFC)
20	Karnataka	Karnataka Minorities Development Corporation (KMDC)
21	Maharashtra	Maulana Azad Apsankhyak Aarthik Vikas Nigam (MAAVM)
22	Mizoram	Mizoram Cooperative Apex Bank (MCAB)

23	Mizoram	Zoram Industrial Development Corporation (ZIDCO)
24	MadhyaPradesh	M.P.Backward Classes & Minorities Finance and Development Corporation
25	Manipur	Manipur Minorities & Other Backward Classes Economic Development Society
26	Nagaland	Nagaland Industrial Development Corpn.(NIDC)
27	Nagaland	Nagaland Handloom & Handicrafts Development Corporation (NHHDC)
28	Nagaland	Nagaland State Social Welfare Board (NSSWB)
29	Odisha	Odisha Backward Classes Finance & Development Cooperative Corporation (OBCFDC)
30	Punjab	Punjab State Backward Classes Land Development & Finance Corporation (BAC KFINCO)
31	Puducherry	Puducherry Backward Classes and Minorities Development Corn.
32	Rajasthan	Rajasthan Minorities Finance & Development Cooperative Corporation (RMFDCC)
33	Tamil Nadu	TamilNadu Minorities Economic Development Corporation (TAMCO)
34	Tripura	Tripura Minorities Co-operative Development Corporation (TMCDCL)
35	UttarPradesh	UPMFDC
36	Uttrakhand	Uttrakhand Alpsankhyak Kalyan Tatha Wakf Vikas Nigam
37	West Bengal	West Bengal Minorities Development and Finance Corporation
38	Goa	Goa State Minorities Finance & Development Corporation
39	Sikkim	Sikkim SC, ST,OBC Dev.Corp.Ltd.

5.3 On being enquired by the Committee during the course of evidence about the selection of SCA, the Committee were informed by the CMD, NMDFC that:-

“स्टेट चैनलाइजिंग एजेंसीज स्टेट गवर्नमेंट की होती हैं और उनका चयन आदि सब काम स्टेट गवर्नमेंट ही करती है और चयन करने के बाद हमें बता देते हैं कि यह हमारी चैनलाइजिंग एजेंसी है।”

5.4 On being enquired about the steps taken to make all the SCA's operational, the Ministry stated that:-

“At present, NMDFC has 45 SCAs of which 39 SCAs are operational and 6 SCAs are non-operational. Sikkim SC ST Corporation has become operational in the year 2020-21 with constant follow-up by NMDFC. The NMDFC regularly follows up with SCAs/State Government/UT Administration of non-operational State/UT for signing of General Loan Agreement and providing Government Guarantee for implementation of NMDFC schemes.”

5.5 In this regard, it is further informed that:-

“J&K and Ladakh Finance Corporation has been nominated to implement NMDFC schemes in Ladakh. Further, Government of Telangana has been approached several times in the past for nomination of an agency to implement NMDFC schemes in Telangana. Several letters have been written at the level of Secretary, Ministry of Minority Affairs to Chief Secretary, Government of Telangana. The CMD, NMDFC has also written letters to Principal Secretary,

Minority Welfare Department, Government of Telangana for nomination of an SCA for implementing NMDFC schemes. Matter was also taken up by Hon'ble Union Minister for Minority Affairs with Dy. Chief Minister of Telangana during Annual Conference of SCAs organized in Hyderabad. Government of Telangana vide letter dated 08.07.2021 has shown their inability to nominate any SCA of NMDFC & implement its schemes in the State.”

5.6 During the course of evidence before the Committee, the representative of NMDFC further added as follows:-

“जहांवेकिसी भी कारणवश फंक्शन नहीं करती हैं, वहांहम स्टेटगवर्नमेंट कोलिखतेहैंकिआपकेएससीए फंक्शन नहीं कर रहेहैं, आपइसेफंक्शनल करा लीजिये।“

5.7 The CMD, NMDFC also informed the Committee during the deliberations that:-

“जहांपर केनरा बैंक के साथ एम .ओ .यू .साइन हुआ है और केनरा बैंक इन 17 राज्यों मेंलोन देरही है। हमनेइन 17 राज्यों को इसिलए चूज किया हैकि इन 17 राज्यों मेंजो हमारी स्टेट चैनलाइजिंग एजेंसीज हैं, वेपूरी तरह सेकाम नहीं कर पा रहीहैंऔर वहां लोगों को लोन नहीं मिल पा रहा है, इसिलए हमनेकेनरा बैंक सेटाइकरके अप-इन 17 राज्यों मेंव्यवस्था कीहै।“

5.8 The Ministry informed that NMDFC is trying to tie up with Banks where there is a non-functional SCA. When asked about the mechanism adopted by the Banks for sanctioning of loans under NMDFC Schemes and progress in this regard, the Ministry stated that:-

“The banks shall adopt mechanism similar to the SCAs in implementing NMDFC schemes. The loan applications received by the bank branch from person from the target group meeting the income eligibility criteria will be sanctioned loan as per the Lending Policy of NMDFC. The banks will draw advance funds from NMDFC and submit utilization certificate. The banks will also recover loan from the beneficiary and repay to NMDFC. MOU with Canara Bank has since been signed in August 2021 and it has drawn /utilized ₹10.00 crore for financing 602 beneficiaries in 6 States/UTs. Another ₹5.00 crore has also been drawn by Canara Bank recently and the same is utilized. Thus, Canara Bank has utilized Rs. 15.00 crore during 2021-22 for extending loans to 1028 beneficiaries under Term Loan Micro-Credit and Virasat Schemes.”

5.9 When asked about the time taken in disbursement of loan to the beneficiaries by SCAs and Banks, the Committee were informed by the Ministry that:-

“Banks normally take 15-20 days to sanction loan application depending on quantum of loan whereas SCAs of NMDFC take 30-35 days to sanction loan. Other sister corporations of NMDFC have prescribed upto 120 days for sanction & disbursement of loan. Banks with better branch network & automation helps to shorten the time period to sanction loan to beneficiaries.”

5.10 On being enquired about the steps taken to reduce the time period in the disbursal of loan, the Ministry submitted as under:

“Steps taken by SCAs to reduce the time for sanction & disbursement of loan includes; seeking loan application & documents digitally by some SCAs through email & whats-up, etc; simplification of documents submitted with application; automation of loan sanction & disbursement process, loan accounting; decentralization of authority to sanction loan to branch office/district level office; pre-printed formats of loan agreement, Guarantee, Demand pro-note, etc for loan documentation; Direct Benefit transfer of loan amount to AADHAR/KYC seeded account of beneficiary,”

5.11 On being asked about the reasons for slow process of loan applications /delay in disbursement of loan amount, the Ministry submitted that:-

“Lack of field level infrastructure and manpower with the SCA is the major reason for delay in processing of loan application and disbursement of loan. Lack of Automation in loaning is another area for slow process of sanction and disbursement of loan.

The Ministry through NMDFC is providing grant under the Grant in Aid (GIA) scheme for strengthening the credit delivery and recovery infrastructure of the respective SCAs. Grant is also provided to SCAs for Computerization of loan records under the GIA scheme. The SCAs have also been advised to simplify the documents to be submitted with the application; automation of loan sanction & disbursement process, loan accounting; Decentralization of authority to sanction loan to branch office/district level office; Pre-printed formats of loan agreement, Guarantee, Demand pro-note, etc for loan documentation; Direct Benefit transfer of loan amount to AADHAR/KYC seeded account of beneficiary.”

5.12 On being enquired whether any complaint has been received for delay in disbursement of loans, the Committee were informed by the Ministry that:-

“In the recent past, no such reference has come to the notice of NMDFC.”

5.13 When asked about the measures taken to simplify the loan formalities, the Ministry submitted as under:

“In order to speed up implementation of NMDFC schemes, SCAs have been delegated with powers, requisite freedom and flexibility in working to sanction

& disburse loan based on ground reality and demand. For furthering the concept of Minimum Govt. and Maximum Governance and simplification of loaning procedure, self-declaration/self-certification/self-attestation of documents by the applicant in respect of religion, family income, mark sheets of previous years in respect of Education Loan, any other affidavit etc has been introduced under the lending program of NMDFC. The SCAs have also been advised to cut down on loan sanction chain and delegate authority to officials at different hierarchy, depending on amount of loan to be sanctioned.”

5.14 On being enquired whether all the state channelizing agencies in the States have been able to recover funds disbursed to the beneficiaries along with the status of bad debts, the Committee were informed by the Ministry that:-

“No, all the State Channelising Agencies in the States have not been able to recover 100% of the funds disbursed to the beneficiaries. As on 31/03/2022, an amount of ₹223.85 crs. is the overdue which is secured by the State Govt. Guarantee and as per the accounting policy of NMDFC, provision for bad and doubtful debt has been made for ₹18.16 crore (As on 31/03/2022). NMDFC on its part is regularly approaching the SCAs who are in default, to settle their overdues under its One Time Settlement (OTS) Scheme or Re-scheduling of overdues, duly backed by State Government /UT Administration.”

5.15 When asked about the mechanism adopted to check illegal methods adopted to avail loan, the Committee were *inter-alia* informed by the Ministry that:-

“The SCAs have been advised to organize awareness camps in areas with high minority concentration & backward areas to disseminate the information about the schemes of NMDFC. During the beginning of Financial Year, NMDFC allocates 10 Awareness Camps to each SCA. Grant for organizing such camps is provided by NMDFC. Application forms and brochures of the schemes are also provided to the prospective beneficiaries and they helped to fill the application forms. Complete application forms are collected at these camps and after preliminary scrutiny at the camp itself, the applicants are given acknowledgement indicating time and place for next stage of shortlisting. SCAs have been directed that all the Loans should be disbursed through Direct Benefit Transfer (DBT) by way of electronic transfer. NMDFC is in the process of obtaining a Loan Origination solution, wherein beneficiaries will be able to apply for loan online and will be able to track the application. NMDFC is also linking its credit schemes at the newly launched portal Jansamarth portal i.e. <https://www.jansamarth.in>. Jan samarth portal is a unique digital portal linking Credit Linked Government Schemes on a single platform for ease of access to all the beneficiaries and stakeholders.”

5.16 On being enquired about the recovery mechanism alongwith the penalty provision for non-repayment of loans, the Ministry informed that:-

“The SCAs mostly have separate recovery cell which keeps all recovery records for monitoring the recovery from the beneficiaries. If the beneficiary defaults for the first time, he/she is sent letter for settlement of dues and if the beneficiary does not relent, Notice is also sent by the recovery cell. If the defaulting beneficiary still does not respond, then he/she is approached by the field level official/recovery cell official over phone or personal visits to ascertain the reasons for default and persuade the beneficiary to clear the default at the earliest. In case of genuine difficulty faced by the beneficiary, loan is also rescheduled. Mostly, the defaulting beneficiary repays after a few visits by the SCA officials. In case the beneficiary continues to default, the Guarantor is approached for settling overdue amount. As a matter of last resort, the Post Dated Cheque obtained at the time of loan disbursement is sent to bank and if the same is dishonored, legal proceeding under N.I Act is initiated. The SCA with the approval of the State Govt. also offers OTS to the chronic defaulters wherein the compound interest is waived on settlement of Principle and interest amount. The OTS is however available for a limited period only.

5.17 When asked about the steps taken to ensure timely recovery of loan, the Ministry submitted that:

“The SCAs have been advised to maintain computerized loaning records with updated position of recoveries from the beneficiaries. Some SCAs use ERP and other software for monitoring & repayment of loan by beneficiaries. The SCAs also send SMS and approach beneficiaries over phone on due date for repayment of loan. Some SCAs also adopt ECS for recovery directly from the bank account of the beneficiary. One SCA has introduced National Automated Clearing House (NACH) mandate through National Payments Corporation of India (NPCI) for loan recovery as EMI directly from bank account of beneficiary, etc. The recovery data is closely monitored by recovery cell & beneficiary is approached in person at the time of 1st default itself, for timely settlement of default.”

5.18 In this regard, the representative of the NMDFC during the course or deliberation submitted that:-

“The rate of recovery from the beneficiaries in six States’ channelising agencies is more than 90 per cent, and there are 11 agencies, which have a rate of recovery of more than, say, 70 per cent to 90 per cent. This is the table. So, these are the agencies which have a very good recovery from the beneficiaries. But unfortunately, हमारा जो बकाया पैसा है, ओवरड्यूज हैं, अगर वे हमें समय पर वापस नहीं करेंगे तो हम उनको आगे कैसे दे सकते हैं। उनको तो पैसा देना पड़ेगा। हमने उनको वन टाइम सैटलमेंट का अवसर भी दिया हुआ है। हमने उनको कहा है कि अगर आप पूरा पैसा हमें वापस नहीं कर सकते हैं, तो जो भी पीनल इंस्ट्रुमेंट है, उसको माफ करके केवल कि प्रिंसिपल ही वापस कर दीजिए। अगर एकमशतु नहीं दे सकते हैं तो आप हमें इंस्टॉलमेंट में दे दीजिए।”

5.19 On being enquired about the financial problems faced by SCAs and the steps taken to resolve the issue, the Ministry stated that:-

“The SCAs in the States/UTs of Assam, Bihar, Chhattisgarh, Haryana (one out of two SCAs), Nagaland, Mizoram, Punjab, Puducherry, Tripura & U.P are currently defaulting in making repayments to NMDFC. The respective State Government /UT Administration stand as Guarantor for loan availed by these SCAs. NMDFC has offered relief under One Time Settlement (OTS) scheme to respective SCA/State Government /UT Administration for liquidation of over dues. These SCAs have approached their State Govt./UT Administration for financial assistance for settling of over dues under the OTS scheme offered by NMDFC. In the past the State Governments of Haryana (HBCKN), Gujarat, J&K, Karnataka, Madhya Pradesh, Manipur, Odisha, Punjab (partially settled), Uttar Pradesh (partially settled) have helped their respective SCAs by providing soft loan/grant to settle over dues for resumption of implementation of NMDFC schemes in their State.”.

5.20 In this regard, the Ministry further added that:-

“One Time Settlement Scheme of NMDFC is available for the SCAs and SCAs are also offering OTS scheme with the approval of State Government to the beneficiaries for recovery of overdue amount. This scheme is offered from time to time. Consultation for development of Software is in progress with NICS. Most of the SCAs have set-up Help Desk and the beneficiary can also obtain information regarding their Recovery Status from the Help Desk. Further, a number of SCAs also contact the beneficiaries telephonically as well as through personal visits, for repayment of loan on due date, as well as in respect of defaulters.”

5.21 On being enquired about the outstanding dues of SCAs, the Committee were informed that:-

“The major reason for default by SCAs is continued poor recovery from the beneficiaries and lack of financial support to the SCA from the State Government/UT Administration. The defaulting SCAs are offered One Time Settlement (OTS) Scheme wherein if the outstanding Principle & Interest amount is settled in one installment, the entire compound interest is waived by NMDFC. The offer letter is also sent to the State Govt. as it stands as guarantor for funds availed by the SCA. The State Government/SCA are also repeatedly pursued for early settlement of dues. SCAs with default are not considered for further disbursement till the dues are settled.”

5.22 When asked about the present status of SCAs against whom dues are outstanding, the Ministry submitted the following details:-

Amt. in ₹. crore			
SR. No.	STATES/UTs	SCAs	AMOUNT DEFAULTED
1	PUNJAB	BACKFINCO	42.34
2	NAGALAND	NIDC	39.91
		NHHDC	10.54
		NSSWB	6.24
3	UTTAR PRADESH	UPMFDC	30.09
4	BIHAR	BSMFC	26.99
5	MIZORAM	ZIDCO	18.87
6	ASSAM	AMDFC	14.35
7	PUDUCHERRY	PBCMDC	10.49
8	RAJASTHAN	RMFDCC	7.51
9	TRIPURA	TMCDC	5.41
10	GUJARAT	GMFDC	4.02
11	CHHATTISGARH	CSHACFDC	3.87
12	HARYANA	MDA	1.32

5.23 With regard to the steps taken for recovery from SCAs, the Committee were *inter-alia* informed that:-

“To boost recovery, all the SCAs have been advised to create a Recovery Cell and maintain loan disbursement and recovery data on computer for real time monitoring of recovery position of beneficiaries. System of sending SMS or message to beneficiary on due date has also been introduced by a number of SCAs. As per available information, the recovery cell gets in touch with the beneficiary in case of 1st default to follow-up and recover the dues. The Ministry on its part is providing grant under the Grant-In-Aid (GIA) scheme for deploying recovery field staff on contract basis for regular follow-up with the beneficiary.

NMDFC monitors the default of respective SCAs. Default by SCA continuously for 3 quarters is considered as NPA. The SCAs are regularly followed up in case of default for liquidation of overdue amount. The State Govt. is also informed about the default as the State Govt. stands as Guarantor to the loan availed by the SCA from NMDFC. Rescheduling of overdue is also carried out on the request of the State Govt./SCA for continuity in implementation of NMDFC schemes for poor persons, in the concerned State. One Time Settlement (OTS) scheme is also offered to the chronic defaulting SCA/State

Govt. and if principal & interest amount is liquidated in one installment, NMDFC waives the entire compound interest.”

5.24 When asked about the reasons for disbursement of loan through SCA only, the Committee were informed by CMD, NMDFC during the course of evidence that:-

“That is a matter of policy of the Government. जब से यह कॉर्पोरेशन बना है, तब से ही इन्होंने इस सिस्टम को लगाया है कि हम एससीएज के थ्रू ही देंगे, डायरेक्टली नहीं देंगे। The Government has decided how to do it. एनएमडीएफसी के पास कोई रीजनल ऑफिस नहीं है। सिर्फ दिल्ली में हमारा एक ऑफिस है। हमारा स्टेट लेवल पर कोई रीजनल ऑफिस नहीं है।”

5.25 On being enquired about the Non-Performing Assets (NPAs), the Committee were informed by the Ministry that an amount of ₹ 18.16 crore is the NPA. The details are as follows:-

Sl. No.	Particulars	SCAs	NPA (Cr)
1	Assam	AMDFC	4.36 Cr
2.	Mizoram	ZIDCO	4.56 Cr
3.	Puducherry	PBCMDFC	0.54 Cr
4	NGOs	--	3.57 Cr
5.	General Provision	--	5.04 Cr

5.26 On being enquired whether the staff strength at NMDFC/ SCAs is adequate to implement various loan schemes of NMDFC, the Committee were *inter-alia* informed by the Ministry that:-

“The staff strength at NMDFC is just adequate. However, staff strength at most of SCAs is inadequate. NMDFC has taken up the matter with the respective SCAs in the State of H.P, Haryana (MEWAT), Utrakhand, Gujarat, Maharashtra, Nagaland (NSSWB), Punjab, Rajasthan and for deployment of sufficient number of staff with relevant qualification and experience for effective implementation of NMDFC schemes. Further, the Ministry on its part is providing grant under the Grant-In-Aid scheme through NMDFC to SCAs for deployment of staff on contract basis, for recovery management at field level.”

5.27 When asked about the action taken by the Ministry/NMDFC on the recommendation made by APITCO Ltd. in the impact study with regard to the capacity building / training programme for staff of SCAs, the Committee were informed that:-

“Following Programs have been organized by NMDFC for the Staff of SCAs:-

(a). Sharing of Best Practices by SCAs was organized on 27.9.2016 wherein SCA from J&K shared its experience on Entrepreneurial Training, SCA from

West Bengal on organising Awareness Camps, SCA from Kerala on Beneficiary Identification & Loan Recovery and Insurance of Beneficiaries financed under NMDFC program.

(b). Training to Staff Members of SCAs on Loan Accounting and Balance Confirmation on 28.9.2016.

(c). Motivational Lecture on “Your Attitude will Decide Your Altitude” during Annual Conference on 8.7.2017.

(d). Presentation was organized on 8.7.2017 on Credit Guarantee Trust for MSME & Mudra Loan & Possible linkage with SCAs for Implementation of NMDFC schemes.

(e). Presentation on Credit Linkage under NMDFC scheme with Training Program was organized on 8.7.2017.

(f). Workshop on Financial Management, Statutory Compliances and Recovery Management on 17.7.2018.

(g). Workshop on “Emotional Intelligence” organized on 14.10.2019.

No program was organized during 2020 due to COVID pandemic”

5.28 The Committee note that the various Schemes of NMDFC are implemented by State Channelising Agencies (SCAs) nominated by the State Governments/ UTs Administrations. These SCAs are corporations registered under the Companies Act and the funds to SCAs are released against Sovereign Guarantee issued by respective State Governments/ UT Administrations. NMDFC has 45 SCAs in 27 States and 8 UTs. Presently 39 SCAs are operational while 6 SCAs are non-operational mainly due to reasons like pending General Loan Agreement and furnishing of Sovereign Guarantee by the respective State Governments/UTs. The Committee note that despite the best efforts of NMDFC, some SCAs could not be made operational in a large number of States/ UTs i.e. Assam, Bihar, Chhattisgarh, Haryana, Nagaland, Mizoram, Punjab, Puducherry, Tripura, Gujarat, Rajasthan and Uttar Pradesh, as they did not settle the overdues. The Committee find that NMDFC has tied up with Canara Bank for the implementation of their Schemes in August 2021. This experiment so far has helped to implement the Schemes. However, the Committee are apprehensive that since the Banks also have to run their own business, it has to be ensured that the Schemes of NMDFC are given due attention and importance by the Bank. The Committee further feel that NMDFC should

explore further for tie ups with other regional Banks. The Committee are also of the view that the role of State Governments/UT Administrations is more important in the implementation of the NMDFC Schemes as these schemes are welfare-oriented and the successful implementation of these schemes reflects the sensitivity of the Governments towards targeted sections of the Minority Communities. The Committee, therefore, recommend that the State Governments, which have shown the least interest/ indifference should be convinced about the potential benefits of the Schemes and brought on board so that the issues, if any, are resolved and the schemes are implemented by them.

5.29 The Committee are constrained to note that SCAs of NMDFC take 30-35 days to sanction loans and other sister corporations of NMDFC have prescribed 120 days for sanction and disbursement of the loans. The period is rather long when Banks normally take 15-20 days to sanction loans. The Committee are not convinced with the reason that the slow process for sanctioning loans is due to the non-availability of field infrastructure and manpower with SCAs and lack of automation as the Ministry has a provision for Grant-in-Aid to strengthen the credit delivery system and recovery infrastructure of SCAs. Besides most of the States have now developed strong automated systems for financial work. The Committee are of the strong view that NMDFC need to suggest suitable steps to the SCAs to streamline/expedite the loaning process as the time consumed in sanctioning the loan must be substantially reduced. It may be too early for the Committee to comment on the recent advisory issued to SCAs to simplify the documents to be submitted with the application and automation of the loan process, decentralization of authority to sanction loans etc. unless the time currently consumed by SCAs/ NMDFC in sanctioning is actually reduced to 15-20 days soon. The Committee would therefore like to be apprised of the impact of this advisory at the action

taken stage. They recommend that NMDFC should not lose any time now to develop a mechanism to regularly monitor the loaning process, ensuring that steps suggested by them are followed by SCAs and the time consumed in sanctioning loans is brought down.

5.30 The Committee are deeply concerned to find that the Non-Performing Assets (NPAs) of NMDFC are to the tune of ₹18.16 crore in respect of SCAs/NGOs and that an amount of ₹223.85 crore is overdue on the State Governments/UT Administrations as on 31st March 2022. The Committee are unable to understand the reasons why NPAs of NMDFC and the pending dues of States/ UTs have accumulated to such a high level particularly when NMDFC has the option of One Time Settlement Scheme and re-scheduling of these pending dues to settle the account of SCAs. The Committee at the same time believe that banning of defaulter SCAs should be used rarely by NMDFC since welfare schemes can be run by the State only. Instead, efforts should be focussed on evolving a system that takes care of any lacunae which leads to defaulting in payment. For speedy recovery of overdues, the Committee desire that the Ministry should take up the matter of NPAs/ pending dues of SCAs with State Governments and convince them to help their respective SCAs by providing soft loans/grants to settle the dues for resumption of implementation of the schemes of NMDFC in their States.

5.31 The Committee are surprised to find that the staff deployed at most of SCAs is inadequate even when there is a provision of Grant-in-Aid for SCAs. The Committee also find that the training of SCAs staff is not adequate as only 7 programmes have been organized between 2016 to 2019. No programme has been organized thereafter. The Committee, however, does not find any guideline prescribed by NMDFC for a minimum

staff strength of SCAs or their training. The Committee, therefore, desire that NMDFC should fix a minimum number of staff strength for each SCA and should ensure that the staff strength and infrastructure of each SCA are in tune with the prescribed standard, before those are appointed as SCA. The Committee would also like the NMDFC to periodically hold training for SCA staff and also direct each SCA to hold training at a particular interval locally.

CHAPTER-VI

GRANT-IN-AID TO STATE CHANNELISING AGENCIES

6.1 In order to strengthen the infrastructure of SCAs, the Ministry had launched GIA scheme in the year 2007-08. Under the Scheme, 100% assistance is provided by the Central Government to the SCAs through NMDFC. The Scheme provides for utilisation of funds by the SCA as per their need within the set of activities such as awareness camps, improving delivery system, recoveries, TA/DA of staff prescribed in the scheme. Grant-in-aid ranging from ₹5.00 lakh to ₹25.00 lakh is provided by Ministry to each SCA for strengthening infrastructure of SCAs to improve their operation including recoveries.

6.2 The details of amount allocated and released by the Ministry for this scheme is as under:-

(₹.incrore)

Year	BE	RE	AmountReleased
2014-15	2.00	2.00	2.00
2015-16	2.00	2.00	2.00
2016-17	2.00	2.00	1.27
2017-18	2.00	2.00	0.30
2018-19	2.00	2.00	2.00
2019-20	2.00	2.00	1.925
2020-21	2.00	0.965	0.965
2021-22 (Till 31st Dec, 2021)	2.00	2.00	2.00

6.3 During the last five years GIA funds released and utilised by SCAs is as follows:-

Sl. No.	STATE/UT	Name of SCA	Funds released to SCAs during the last 5 years under GIA scheme (₹ Lakh)	Funds utilized by SCAs during the last 5 years under GIA scheme (₹ Lakh)
1	Gujarat	GMDFC	6.50	4.50
2	Goa	GSMFDC	7.00	2.00
3	Haryana	HBCKN	13.00	8.00
4	Himachal Pradesh	HPMFDC	11.50	11.50
5	Jammu & Kashmir	JKWDC	25.00	15.00
		JKSCSTFDC	7.00	5.00
		JKEDI	20.00	0.00
		JKSFC	35.50	22.50
6	Jharkhand	JSASVN	3.00	3.00
7	Kerala	KSBCDC	95.00	95.00
		KSWDC	78.00	78.00
		MATSYAFED	49.00	49.00
		KSMDFC	18.50	18.50
8	Maharashtra	MAAAVM	4.00	4.00
		NSSWB	10.00	6.00
9	Rajasthan	RMDFC	24.50	14.50
10	Sikkim	SABCCO	12.00	2.00
11	Tamil Nadu	TAMCO	60.00	45.00
12	Tripura	TMCDC	55.00	40.00
13	Uttar Pradesh	UPMFDC	20.00	0.00
14	Uttarakhand	UAKWVN	9.00	4.00
15	West Bengal	WBMDFC	70.00	45.00
	TOTAL		633.50	472.50

An amount of ₹1.61 crore is under the process of utilisation.

6.4 On being asked about the support extended to SCAs which are lacking in infrastructure, manpower and resources to carry out their activities, the Ministry submitted that:-

“The SCAs are entities under the State Government/UT Administration. They undertake to implement schemes of the State Government/UT Administrations and get financial, infrastructure & administrative support primarily from their respective State Government/UT Administration. In addition to their primary assignment, they have been nominated as the SCA, to also implement NMDFC schemes. The Ministry on its part provides additional support under the GIA scheme to strengthen the existing credit delivery & recovery mechanism of the SCAs. SCAs with inadequate infrastructure have been repeatedly requested to

follow-up with their State Government/UT Administration for strengthening basic infrastructure, provide adequately qualified & experienced manpower and financial assistance, to improve their capability to effectively implement the schemes of the State Government& NMDFC. Besides, NMDFC on its part also regularly follows-up with the State Government/UT Administration to strengthen the SCAs nominated by it.”

6.5 On being enquired whether ₹2 crore Grant-in-aid is sufficient to meet the requirement of all the 39 functional SCA's, the Ministry replied that:-

“Based on the increase in assistance requested by the SCAs and the recommendation of the MDI, Gurgaon in its report, proposal to enhance the Allocation under GIA scheme has been approved by the Ministry to ₹5.00 crore. per annual. Now each SCAs can get fund under GIA schemes ranging from ₹ 5.00 lakh to ₹25.00 lakh.”

6.6 On being enquired about the assistance provided to the SCAs by NMDFC for submission of adequate proposals under GIA Scheme, the Ministry *inter-alia* stated that:-

“NMDFC provides guidance to SCAs in case any difficulty is faced by them in furnishing proposals under GIA scheme. It is expected that with increase in budget allocations and broad basing of permissible activities under the scheme, the SCAs would be able to utilize the funds more efficiently, thereby improving their functioning.”

6.7 The Committee note that the Grant-in-Aid of ₹2.00 crore earmarked annually is provided by the Ministry to SCAs through NMDFC. However, the amount sanctioned under Grant-in-Aid during the year 2016-17, 2017-18, 2019-20 were ₹1.27 crore, ₹0.30 crore and ₹1.925 crore respectively and that it was reduced at the RE stage to ₹0.965 crore from ₹2.00 crore in the year 2020-21. The Committee strongly believe that as various Schemes of NMDFC are being implemented through SCAs, the infrastructure, adequate manpower, computerisation and strong mechanism for capacity building of SCAs should be the utmost priority of the NMDFC/Ministry. The Ministry have already admitted before the Committee that one of the reasons for the poor implementation of the Schemes of NMDFC is weak infrastructure of SCAs. It is a matter of concern that despite the availability of funds, the same were not used. Since NMDFC is the nodal organisation to disburse

the funds, they should have examined the lacunae and plugged them in time so that the funds meant for building the infrastructure of SCAs are fully utilised. The Committee note that SCAs in 15 States have availed Grand-in-Aid during the last five years and the Grant-in-Aid provided to these SCAs was not fully utilised as out of ₹633.50 lakh granted to these SCAs only ₹472.50 lakh could be utilised. The Committee desire to know if NMDFC made any efforts to find out reasons for this huge gap between the funds released and utilised. The Committee would like the Ministry/NMDFC to develop requisite oversight so that the funds meant for Grant-in-Aid are utilised fully. The Committee are also not convinced of an increase in budgetary allocation from ₹2.00 crore to ₹5.00 crore particularly when the available funds of ₹2.00 crore could not be utilised in 2016-17, 2017-18, 2019-20. The Committee would therefore like the Ministry to take appropriate steps so that the funds allocated are fully utilised for upgrading the infrastructure of SCAs.

CHAPTER-VII

FINANCIAL ASSISTANCE TO TARGET GROUPS

7.1 There are two categories of target groups as per annual income (a) Under Credit Line-1, the benefits are available for persons having annual family income of upto ₹98,000/- in rural areas and ₹1.20 lakh in urban areas. (b) Under Credit Line-2, the benefits are available to persons with annual family income of upto ₹ 8.00 lakh.

7.2 The beneficiaries financed in Rural and Urban areas under various Schemes of NMDFC in Credit Line-1 & 2 during last 6 years is as follows:-

SL. No.	STATE	2017-2018 (Credit Line-1)		2017-2018 (Credit Line-2)		2018-2019 (Credit Line-1)		2018-2019 (Credit Line-2)		2019-2020 (Credit Line-1)		2019-2020 (Credit Line-2)	
		Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
		Benf	Benf	Benf.	Benf.	Benf	Benf	Benf.	Benf.	Benf	Benf	Benf.	Benf.
1	CHANDIGARH	1	39	0	0	2	57	0	2	0	60	0	0
2	CHHATISGARH	0	0	0	0	8	17	0	0	0	0	0	0
3	DELHI	0	0	0	0	0	0	0	0	0	12	0	0
4	GUJARAT	0	0	0	0	162	121	14	3	119	164	0	19
5	HARYANA	9	1	1	0	1	0	70	9	585	234	0	0
6	HIMACHAL PRADESH	88	7	3	0	95	23	0	0	119	3	0	0
7	JAMMU & KASHMIR	1837	316	304	66	1277	195	187	61	915	190	111	49
8	JHARKHAND	0	0	0	0	0	0	0	0	91	136	0	0
9	KARNATAKA	19	73	1	5	0	0	0	0	0	0	0	0
10	KERALA	20954	5393	401	77	4945	453	24122	2381	23665	3321	314	54
11	MIZORAM	0	0	0	0	0	0	0	0	546	84	0	0
12	NAGALAND	0	0	0	0	0	0	449	365	230	87	1	99
13	PUNJAB	113	4	0	0	0	0	0	0	0	0	0	0
14	RAJASTHAN	73	152	10	12	0	0	0	0	0	0	0	0
15	TAMILNADU	4265	2582	0	0	633	1413	3809	1853	3817	3321	0	1
16	TRIPURA	850	26	0	0	0	0	0	0	4	6	0	0
17	UTTAR PRADESH	0	0	0	0	0	0	0	0	286	399	0	0
18	UTTRAKHAND	0	0	0	0	15	60	0	0	0	2	0	0
19	WEST BENGAL	113063	831	0	39	77336	44285	0	0	100906	9461	0	0
	Total	141272	9424	720	199	84474	46624	28651	4674	131283	17480	426	222

7.3 On being enquired whether the annual family income prescribed to avail Credit Under Line-1 and 2 is periodically revised and how do the corporation ensure that the maximum people get benefit of the Schemes of NMDFC, the Committee were informed by the Ministry that:-

“The Poverty estimates was released by Planning Commission (now NitiAayog) based on which the annually family income under Credit Line 1 & 2 was revised from time to time. In order to ensure wider cover of targeted beneficiaries, NMDFC has started one more credit line i.e. Credit Line 2 in F.Y. 2014-15, on the income pattern of OBC criteria. Recently the limit under Credit Line 2 has been revised. The families whose annual income is upto ₹8.00 lacs per annum are now also eligible to get concessional credit under NMDFC schemes.”

7.4 When asked about the process involved for sanctioning of loan to the beneficiaries, the Committee were informed during the deliberations that:-

“लोन एप्लीकेशंस या तो डिस्ट्रिक्टलेवल पर रिसीवकिएजातेहैंया फिरस्टेट हेडक्वॉर्टर पर आतेहैं। उसकेबाद उनका चयन होताहै। चयन करनेके दोही क्राइटरिआज़ हैं। एक तो उनकीआय और दूसरा उनको माइनोरटी कम्युनिटीजसे बिलोंगकरना है।“

7.5 On being enquired about the number of Minority beneficiaries who managed to come out of the poverty line after getting the benefits of the NMDFC schemes, the Committee were informed by the Ministry that:-

“Status regarding beneficiaries crossing poverty line after availing benefits under NMDFC scheme is ascertained through sample study during Impact Evaluation of NMDFC scheme got conducted through Third Party Consultancy Organization engaged by NMDFC. As per the last study conducted in 2018-19, nearly 82% beneficiaries financed under NMDFC schemes have crossed the threshold income eligibility criteria of double the poverty line.”

7.6 On being asked whether the Government has any plan to reduce the burden of high rate of interest charges from the beneficiaries, the Committee were informed by the Ministry that:-

“Financing under Credit Line-1 is at the rate of 7% p.a from the ultimate beneficiary/SHG. NMDFC charges 1% p.a interest from the SCA/NGO while SCA charges 7% p.a from the SHG/beneficiary and thus gets margin of 6% p.a interest, if it implements the scheme directly. In case SCA implements through NGO, the SCA charges 2% p.a from the NGO and the NGO in turn charges 7% p.a from the SHG/Beneficiary thereby getting 5% p.a interest margin. It may be mentioned here that higher margin is provided to the SCA/NGO to help them

meet expenditure for formation, nurturing and regular monitoring of the SHGs before and after extending micro-credit. Any reduction in the interest margin shall have adverse impact in implementation of micro-finance scheme at the level of the SCA/NGO. It may also be mentioned here that rate of interest charged under micro-finance scheme is the one of the lowest in the market.”

7.7 When asked about how the Ministry ensures to disburse loans under various schemes of NMDFC to all the Minority communities, the representative of NMDFC informed during the deliberations before the Committee that

“We have directed State Channelising Agencies (SCAs) to disburse loans in the ratio of Minority population in that particular State.”

7.8 On being enquired about the protection mechanism adopted by NMDFC for beneficiaries from any untoward incident, the Ministry informed the Committee that:-

“The SCAs have been advised to get insurance of the beneficiary and assets financed to protect the beneficiary and his family from any untoward incident. The premium for the insurance is generally capitalized and made part of the loan amount. The insurance is obtained in joint name of the SCA and the beneficiary. In case of any untoward incident, the claim is realized by the SCA and after settlement of the outstanding loan amount, balance amount is transferred in the account of the family of the deceased beneficiary. Thus there is no burden for loan repayment on the family of the deceased beneficiary. Similar procedure is adopted in case of loss of assets, with claim amount provided to the beneficiary by the SCA after settlement of loan outstanding amount.

A large number of SCAs have started providing insurance along with loan. SCAs in the States of J&K, Haryana, H.P, Uttarakhand, Rajasthan, Gujarat, Kerala, Tamil Nadu, Tripura, Chandigarh, Chhattisgarh, Mizoram, Delhi, etc are implementing insurance scheme. SCAs in States of Goa & Sikkim have recently started implementing NMDFC schemes and they have been advised to get insurance of beneficiaries. SCA in U.P has recently started financing and is getting insurance of beneficiaries. West Bengal has approached its State Govt. for formation of a corpus on the lines of SCA in Kerala and will shortly start providing insurance cover to beneficiaries financed by it. SCA in Maharashtra has also approached the State Govt. for approval to implement insurance scheme.”

7.9 On being asked about the steps taken to replicate Kerala model where they have created a corpus to provide insurance to the beneficiaries financed under NMDFC Scheme, the Ministry submitted to the Committee that:-

“The Kerala Model of providing Insurance to the beneficiaries financed under NMDFC scheme was published under the heading “Sharing of Best Practices” in

the Reference Manual and distributed to all the SCAs for adopting the model. The Model of Kerala State BC Development Corporation is being followed by Kerala State Women Development Corporation and Kerala State Co-operative Federation for Fisheries. The SCA in West Bengal has approached its State Government for adopting similar model for providing insurance to the beneficiaries financed by it. This model is best suited for adoption by SCAs who undertake financing large number of beneficiaries, for creation of sufficient corpus for settlement of claim.”

7.10. On being enquired about the measures taken by the Corporation to achieve its objectives and how far they have successful in achieving the objectives, the Committee were informed by the Ministry that:-

“The SCA have been delegated powers to sanction and disburse loan at their own level. Further, the SCAs have been advised to accept the self declaration/self certification/self attestation documents viz., Certificate of Religion, Family Income Certificate, Marksheets of previous years in case of educational loans, any other affidavit in furtherance of Minimum Government, Maximum Governance. The SCAs have been directed to ensure Insurance of beneficiaries and their assets at the time of disbursement of funds in order to safe guard the beneficiaries and SCA due to untoward incident. All the Loans have been disbursed by SCAs through Direct Benefit Transfer (DBT)by way of electronic transfer.”

7.11 The Committee note that the financial assistance under Credit Line-1 is provided to the persons of Minority Communities having an annual family income of ₹98,000/- in rural areas and ₹1.20 lakh in urban areas. Under Credit Line-2, the benefits are available to persons with an annual family income of up to ₹8.00 lakh. The Committee are, however, surprised to find that the number of beneficiaries under Credit Line-2 is substantially less in comparison to Credit Line-1 as the number of beneficiaries under Credit Line-1 and Credit Line-2 was 4,30,557 and 34,892 respectively from 2017-18 to 2019-20. As the number of beneficiaries under Credit Line-1 is substantially less in urban areas in comparison to rural areas, the Committee feel that the NMDFC should try to perform better in urban areas in Credit Line-1. The Committee also desire that the annual family income limit for the beneficiaries under Credit Line–1 for urban areas should be increased after considering the increased average annual family income in urban areas so that more persons belonging to economically weaker minority communities could get the benefits under various schemes of

NMDFC at a lower rate of interest. The Committee also desire that the reasons why Credit Line-2 has not picked up should be examined since the annual income limit set in 2014-15 was increased in 2019-20 for wider outreach.

7.12 The Committee find that under the Kerala Model, a corpus has been created to provide insurance to the beneficiaries financed under NMDFC Schemes. In line with the Kerala Model, SCAs have been advised to get insurance for the beneficiary and assets financed, to protect the beneficiary and his family from any untoward incident. The Committee feel that if Kerala Model is replicated by all the States/UTs, it would save the SCAs who undertake the financing of a large number of beneficiaries from any default since in case of any untoward incident the claim can be realized by the SCAs. In tune with the advisory, the SCAs have now started providing insurance along with the loan in the States of Haryana, Himachal Pradesh, Uttarakhand, Rajasthan, Gujarat, Kerala, Tamil Nadu, Tripura, Chandigarh, Mizoram, Jammu & Kashmir and Delhi. The Committee recommend that the provision of insurance for beneficiaries and their assets should be adopted and implemented by all the States/ UTs to safeguard the beneficiaries and SCAs. The Committee would like to be apprised of the progress in this regard.

CHAPTER-VIII
AWARENESS GENERATION

8.1 As per the information furnished by the Ministry, SCA's have been advised to organise awareness camps in areas with high minority concentration and backward areas to disseminate the information about the schemes of NMDFC. NMDFC allocates 10 Awareness Camps @ ₹50,000/- per camp to each SCA in the beginning of each Financial Year. Grant for organising such camps is also provided by NMDFC. During the awareness camps, application form and brochures of the schemes are provided to the prospective beneficiaries and helped to fill the application forms. Application forms are collected at these camps. After preliminary scrutiny at the camp itself, the applicants are given acknowledgement indicating time and place for next stage of short listing.

8.2 The SCA's have been advised to periodically carry out publicity of schemes of NMDFC using the machinery of district administration. Further, the success stories of beneficiaries are published by NMDFC and distributed at such camps to motivate the participants to come forward and avail assistance under NMDFC schemes for their socio-economic development. The SCAs also use local newspapers and local electronic media for creating awareness about schemes of NMDFC.

8.3 When asked about the details of the camps organised during 2015-16 and 2021-22, the Ministry submitted as follows:-

Sl.No	Financial Year	No. of Camps
1.	2015-16	85
2.	2016-17	92
3.	2017-18	147
4.	2018-19	163
5.	2019-20	514
6.	2020-21	0
7.	2021-22	76
TOTAL		1077

8.4 The details of places where awareness camps were conducted by SCAs from 2015-16 to 2021-22 is as follows:-

2015-16			
SR. NO.	STATES/UTs	NO.	PLACE
1	GUJARAT	3	Godhara, Vadodra, Ahmedabad

2	HARYANA	5	Karnal, Kurukshetra, Panchkula, Yamuna Nagar
3	HIMACHAL PRADESH	1	Kuthar District, Shimla
4	J&K	59	Srinagar, Kulgam, Budgam, Jammu, Baramulla, Anantnag
5	KERALA	17	Ernakulam, Idukki, Kottayam, Trivandrum, Kollam, Alapppy, Trissur, Malappuram, Kozhikode, Kannur, Kasargode
2016-17			
SR. NO.	STATES/UTs	NO.	PLACE
1	GUJARAT	1	Ahmedabad
2	HARYANA	13	Karnal, Kurukshetra, Panchkula, Sirsa, Yamuna Nagar
3	J&K	60	Doda, Kathua, Jammu, Kupwara, Baramulla, Anantnag, Srinagar
4	KERALA	18	Kannur, Malappuram, Trivandrum, Pathanamthitta, Ernakulam, Idukki, Kollam, Alapppy, Trissur, Kozhikode, Kasargode
2017-18			
SR. NO.	STATES/UTs	NO.	PLACE
1	GUJARAT	3	Ahmedabad, Modasa, Himatnagar
2	HARYANA	9	Karnal, Kurukshetra, Panchkula, Panipat, Yamuna Nagar
3	J&K	106	Anantnag, Bandipora, Doda, Ganderbal, Jammu, Kathua, Kishtwar, Kupwara, Poonch, Pulwama, Rajouri, Ramban, Reasi, Samba, Shopian, Srinagar, Udhampur, Baramulla, Leh, Kargil
4	KERALA	29	Trivandrum, Kozhikode, Ernakulam, Trivandrum, Kollam, Alapppy, Trissur, Malappuram, Kannur, Kasargode, Palakkad, Alappuzha, Wayanad
2018-19			
SR. NO.	STATES/UTs	NO.	PLACE
1	GUJARAT	1	Ahmedabad
2	HARYANA	15	Karnal, Kurukshetra, Panchkula, Sirsa, Yamuna Nagar
3	J&K	103	Anantnag, Bandipora, Doda, Ganderbal, Jammu, Kathua, Kishtwar, Kupwara, Poonch, Pulwama, Rajouri, Ramban, Reasi, Samba, Shopian, Srinagar, Udhampur, Leh, Kargil, Baramulla
4	KERALA	33	Kozhikode, Alappuzha, Trivandrum, Kaseragod, Wayamad, Kottayam, Pathanamthitta, Kannur, Trissur, Kollam, Alapppy, Ernakulam, Malappuram, Kozhikode
5	TAMIL NADU	11	Trichy, Coimbatore, Ramanathapuram, Madurai, Pudukottai, Tiruvannamalai, Tiruvallur, Tiruppur, Nilgiris, Karur, Dindigul
2019-20			
SR. NO.	STATES/UTs	NO.	PLACE
1	GUJARAT	14	Kapdwaj, Ankleshwar, Halol, Surat, Nadiad, Balasinor, Ahmedabad, Bhiloda, Patan, Bhuj-Zura, Bhuj-Ajrakhpur, Ahmedabad, Surendranagar, Ahmedabad
2	HARYANA	26	Ambala, Faridabad, Fatehabad, Gurugram, Hisar, Karnal, Kaithal, Kurukshetra, Panchkula, Panipat, Yamuna Nagar
3	HIMACHAL PRADESH	2	Killer District Chamba, Keylong District Lahul&Spiti
4	J&K	270	Jammu Reasi, Baramulla, Anantnag, Srinagar
5	KERALA	21	Alapppy, Kollam, Kottayam, Neyyattinkara, Thrissur, Trivandrum, Ernakulam, Kozhikode, Wayanad, Kannur
6	TAMIL NADU	181	Chennai, Kancheepuram, Thiruvallur, Vellore, Thiruvannamalai, Cuddalore, Villupuram, Thanjavur, Nagapattinam, Thiruvarur, Trichy, Karur, Ariyalur, Perambalur, Madurai, Pudukottai, Theni, Dindigul, Virudhunagar, Ramanathapuram, Sivagangai, Tirunelveli, Thoothukudi, Kanniyakumari, Salem, Namakkal, Dharmapuri, Krishnagiri, Coimbatore, Thirupur, Erode
2020-2021			
SR. NO.	STATES/UTs	NO.	PLACE
DUE TO COVID AWARENESS CAMPS WERE NOT ORGANISED			
2021-2022			
SR. NO.	STATES/Us	NO.	PLACE
1	Uttrakhand	4	Udhamsingh Nagar, Nainital, Dehradun & Haridwar
2	Himachal	1	Mandi

	Pradesh		
3	Kerala	6	Thrissur, Kasargod, Palakkad, Pathanamthitta, Idukki Trivandrum & Neyyattinkara
4	Gujarat	1	Balashinor
5	J&K	29	Ramban, Doda, Kathua, Sambha, Rajouri, Udhampur, Kishtwar, Reasi, Srinagar, Jammu, & Rajouri
6	Tamil Nadu	35	Chennai, Kanchipuram, Vellore, Thiruppathur, Thiruvannamalai, Cuddalore, Kallakurichi, Nagapattinam, Trichy, Karur, Ariyalur, Ramanathapuram, Thoothukudi, Kanniyakumari, Salem, Krishnagiri, Tiruppur, the Nilgris, Dharmapuri, Chengalpattu, Ranipet, Perambalur, Madurai, Pudukottai, Theni, Tirunelveli, Tenkasi, Sivagangai, Coimbatore, Thiruvarur, Namakkal, Virudhunagar, Thiruvallur & Erode

8.5 On being enquired whether Awareness Generation Camps have been organised in Minority dominated districts of the country, the Ministry informed the Committee that:-

“SCAs have been advised to organize at least 10 awareness camps during each financial year with a focus on Minority Concentration areas. Grant of ₹50,000/- is given for organizing each awareness camp by the SCAs. Minority Concentration district/areas falling in States where NMDFC schemes are in-operational have not been covered under the Awareness Generation program.”

8.6 In this context, a representative of NMDFC submitted during the course of evidence that:-

“हमने वर्ष 2019-20 में ऐसे 514 अवेयरनेस कैंप किए थे, जिससे लोगों में इसका प्रचार-प्रसार हो सके। इसके अलावा वेबसाइटों में एडवर्टाइजमेंट भी देते हैं। उसी के द्वारा यह लाभार्थियों तक पहुँचता है।”

8.7 The Committee were informed that in the impact study conducted by M/s Center for Market Research and Social Development on the beneficiaries of the Schemes of NMDFC, it has been recommended that in order to expand the ambit of the Schemes and create awareness, ‘success stories’ of the beneficiaries of term loan as well as Micro Finance Schemes need to be publicised widely. This may be done by circulating these stories by ‘word-of-mouth’ and short films based on the ‘before and after’ scenarios, among others. On being enquired about the action taken in this regard, the Ministry submitted that:

“NMDFC has compiled and published success stories of beneficiaries viz. Kamyabiyān- Sapno Ko Pankh.”

8.8 The Committee note that SCAs have been advised to organise awareness camps in areas with high minority concentration to disseminate information about the Schemes of NMDFC. As per the norms fixed, each SCA is allocated 10 awareness camps @ ₹50,000/- per camp at the beginning of each year. The Committee are constrained to observe that only 1077 camps could be organised between 2015-16 and 2021-22 in the States of Haryana, Himachal Pradesh, Kerala, Tamil Nadu, J&K, and Uttarakhand. In 2015-16, 2016-17 and 2021-22 only 85, 92 and 76 camps could be organised, respectively. The Committee would like to understand the reasons for which awareness camps could not be organised as envisaged even when financial assistance of ₹50,000 was provided for organising each camp. They recommend that the NMDFC/Ministry should identify the minority concentration districts in the country where the Schemes of NMDFC have not taken off well and more awareness camps should be organised particularly in those Districts/ areas so that these schemes are able to attract the targeted population.

CHAPTER-IX

MONITORING

9.1 The Monitoring and evaluation of the schemes implementation is conducted by NMDFC through various means. The salient features of the Monitoring Mechanism are:

- i. NMDFC organizes periodic meetings with the State Channelising Agencies (SCA) for reviewing of scheme implementation.
- ii. NMDFC carries out beneficiary verification and impact study through independent expert agencies and also deputing its own officers.
- iii. The beneficiary related information has been placed on the website of NMDFC. The SCAs have also been requested to place their beneficiary data on the respective website in public domain.

9.2 When asked about the monitoring mechanism available for ensuring timely disbursement under various Schemes of NMDFC, the Ministry submitted as under:-

“The SCAs generally draw funds from NMDFC based on their preparedness in terms of beneficiary identification and sanctioned loan cases in hand. The fund is drawn by SCAs as advance @ 3.5% p.a for implementation of different financing schemes. As per the lending policy, the fund is to be utilized within 3 months from the date of drawl and submit utilization certificate along with the list of beneficiaries. On submission of utilization detail, the interest rate is fixed based on actual scheme wise fund utilization by the SCA. In case the fund remains unutilized after 3 months, higher rate of interest @ 6.5% p.a is charged from SCAs to ensure timely utilization of funds. In rare case, if the fund remains unutilized even after 6 months, interest @8.5% p.a is charged and RED CARD NOTICE is sent to the SCA with a copy to the State Government, for immediate surrender of unutilized funds. This is monitored regularly in NMDFC and further fund disbursement is considered to an SCA only on submission of utilization certificate, for funds drawn earlier.”

9.3 On being enquired about the methodology adopted by SCAs to monitor recovery of loans from the beneficiaries, the Ministry submitted that:-

“The SCAs have been delegated with powers, requisite freedom & flexibility in identification of beneficiaries, sanction and disbursement of loan and recoveries, for which guidelines have been issued under the Lending Policy. The SCAs have been advised to create a separate recovery cell within their office for periodic monitoring & keeping track of recovery from beneficiaries. Thus, the SCAs have been bestowed the authority to recover loan from the beneficiaries and repay to NMDFC. The NMDFC through periodic Impact Study gets feedback about actual

recoveries from the beneficiaries and advises SCAs to improve grass root recoveries by undertaking adequate measures.”

9.4 In this regard, the Committee were informed during the course of evidence by CMD, NMDFC that:-

“मैडम, हमने वर्ष 2019 में एक एमआईएस पोर्टल बनाया है, जो कि लाइव है, जिसका एक्सेस हमने सारे स्टेट चैनल लाइजिंग एजेंसीज़ को दे दिया है। आज तक 25 स्टेट चैनल लाइजिंग एजेंसीज़ उसके ऊपर रिजस्टर्ड हैं और 19 ऐसी हैं, जिन्होंने अपना एकचअलु डेटा उसके ऊपर डाल दिया है। इस पोर्टल के माध्यम से सेक्टर वाइज़, ट्रेड वाइज़ एक्टिविटीज़, आधार नंबर वाइज़, एसएजी वाइज़, कम्युनिटी वाइज़, जेंडर वाइज़, एरिया वाइज़, एससी वाइज़, सारे बनेफिशरीज का डेटा और रिपोर्ट हम जेनेरेट कर सकते हैं। बाकी एससीए को भी हम पुरस्कार दे रहे हैं कि वे जल्दी से जल्दी अपने बनेफिशरीज का डेटा इस पोर्टल पर डाल दें।”

9.5 On being enquired about the status of National level Portal and websites of SCA's as suggested by Development and Research Services Private Limited to monitor the progress of implementation of NMDFC Schemes, the Ministry submitted that:-

“NMDFC had floated an Open Tender inviting bids for development of software. This process could not materialize as its cost was exceeding ₹50.00 lakh. On the instructions of the Ministry, NMDFC has started consultation with NIC/NICSI for development of software. Due to COVID pandemic the process has got delayed.”

9.6 As regards the present status of websites of SCAs, the details are as follows:-

Sl.No.	State	SCA	Status of Website	URL of Website
1	Andhra Pradesh	Andhra Pradesh State Minorities Development & Finance Corporation (APSMFC)	LIVE	https://apsmfc.ap.gov.in/
2	Assam	Assam Minorities Development & Finance Corporation (AMD FC)	NA	NA
3	Bihar	Bihar State Minorities Financial Corporation (BSMFC)	LIVE	https://bsmfc.org/
4	Chandigarh	Chandigarh Scheduled Caste, Backward Classes & Minorities Financial & Development Corporation (CSCB CMFDC)	LIVE	chdsw.gov.in
5	Chhatisgarh	Chhatisgarh State Antyavasai Sahakari Vitta Evum Vikas Nigam (CGSASVN)	LIVE	www.cgscantyasvasai.com
6	Delhi	Delhi SC/ST/OBC Minorities & Handicapped Financial & Dev. Corporation (DSFDC)	LIVE	http://web.delhi.gov.in/wps/wcm/connect/doi_t_dsfdc/DSFDC/Home/
7	Gujarat	Gujarat Minorities Finance and Development Corporation (GMFDCC)	LIVE	https://gmfdonline.gujarat.gov.in/
8	Haryana	Mewat Development Agency (MDA)	LIVE	www.mda.nic.in
9	Haryana	HBCKN (Haryana Backward Classes & Economically Weaker Sections Kalyan Nigam Pvt.Ltd)	LIVE	https://hbckn.org.in/mainAll.php

10	Himachal Pradesh	H.P. Minorities Finance and Development Corporation (HP MFDC)	LIVE	http://www.minority.hp.gov.in/
11	Jharkhand	Jharkhand State Minorities Finance & Development Corporation (JSMDFC)	LIVE	http://www.jsmdfc.com/
12	J&K	J&K Women's Development Corporation (JKWDC)	Currently not working	www.jkwdc.com
13	J&K	SCs/STs & Bcs Development Corporation (JKSCSTB)	LIVE	www.jkscstbccorp.in
14	J&K	CDC) J&K Entrepreneurship Development Institute (JKEDI)	LIVE	www.jkedi.org
15	J&K	Jammu & Kashmir And Ladakh Finance Corporation (JKLFC)	NA	Not Available
16	Kerala	Kerala State Backward Classes Development Corporation (KSBCDC)	LIVE	www.ksbcd.com
17	Kerala	Kerala State Women's Development Corporation (KSWDC)	LIVE	www.kswdc.org
18	Kerala	Kerala State Cooperative Federation for Fisheries Development (MATSYAFED)	LIVE	https://matsyafed.in/
19	Kerala	Kerala State Minorities Development and Finance Corporation (KSMDFC)	LIVE	www.ksmdfc.org
20	Karnataka	Karnataka Minorities Development Corporation (KMDC)	LIVE	http://kmdc.karnataka.gov.in/
21	Maharashtra	Maulana Azad Alpsankhyak Aarthik Vikas Nigam (MAAVM)	LIVE	www.mamfdc.maharashtra.gov.in
22	Mizoram	Mizoram Cooperative Apex Bank (MCAB)	LIVE	www.mizoapex.com
23		Zoram Industrial Development Corporation (ZIDCO)	LIVE	https://zidco.mizoram.gov.in/
24	Madhya Pradesh	M.P. Backward Classes & Minorities Finance and Development Corporation	LIVE	http://bcwelfare.mp.nic.in/
25	Manipur	Manipur Minorities & Other Backward Classes Economic Development Society	LIVE	http://www.manipurminority.gov.in/
26	Nagaland	Nagaland Industrial Development Corpn. (NIDC)	LIVE	http://industry.nagaland.gov.in/
27	Nagaland	Nagaland Handloom & Handicrafts Development Corporation (NHHDC)	LIVE	-
28	Nagaland	Nagaland State Social Welfare Board (NSSWB)	LIVE	http://dsw.nagaland.gov.in
29	Odisha	Odisha Backward Classes Finance & Development Cooperative Corporation (OBCFDC)	NA	
30	Punjab	Punjab State Backward Classes Land Development & Finance Corporation (BACKFINCO)	LIVE	https://backfinco.punjab.gov.in/
31	Puducherry	Puducherry Backward Classes and Minorities Development Corp.	NOT Functional	www.pbcmfc.gov.in
32	Rajasthan	Rajasthan Minorities Finance & Development Cooperative Corporation (RMFDCC)	LIVE	https://minority.rajasthan.gov.in/rmfdcc/Index.aspx
33	Tamil Nadu	Tamil Nadu Minorities Economic Development Corporation (TAMCO)	LIVE	https://tamco.tn.gov.in/
34	Tripura	Tripura Minorities Co-operative Development Corporation (TMCDCL)	LIVE	https://tmcdcl.tripura.gov.in/
35	Uttar Pradesh	UPMFDC	NA	NA
36	Uttarakhand	Uttarakhand Alpsankhyak Kalyan Tatha Wak Vikas Nigam	LIVE	http://www.alpsankhyak.org.in/
37	West Bengal	West Bengal Minorities Development and Finance Corporation	LIVE	https://www.wbmdfc.org/
38	GOA	Goa State Minorities Finance & Development Corporation	NA	NA

		ion		
39	Sikkim	SikkimSC, ST,OBCDev.Corp.Ltd.	NA	NA

9.7 On being asked how the Ministry intends to make monitoring effective in the absence of data not being uploaded on MIS portal by all SCAs, the Ministry stated that:-

“So far 19 SCAs have uploaded the beneficiary data online onto MIS portal of NMDFC. The process has been delayed due to COVID pandemic and remaining SCAs are being requested to upload the beneficiary data. At present, data received through email & in hard copy from the SCAs is being maintained by NMDFC. Data so received is analyzed to ascertain the fund utilization by the SCAs *vis-a-vis* funds drawn by them. Further, the beneficiary data is also used as sample for monitoring, during Impact Study got conducted by engaging 3rd party independent agency by NMDFC.”

9.8 On being enquired about the number and nature of grievances received by NMDFC during the last three years, the Ministry submitted that:-

“During last 3years, 38 grievances were received in NMDFC and all were settled & disposed. Grievances received include request for aviling loan, request for reimbursement of 1st installment of Education Loan paid from own resources prior to sanction of loan, allocation of stall during Hunar Haat, delay in processing of Loan application by banks in respect of Minority communities, Rejection of Loan Application as the same is not submitted in prescribed format and with required documents, etc.”

9.9 When asked about the mechanism adopted for grievance redressal by NMDFC, the Ministry submitted as under:

“Centralized Public Grievance Redressal & Management System (CPGRAMS) is a web based portal that provides a platform to citizens for redressal of their grievances. The CPGRAMS uses the Bottom-up mechanism for redressal of grievance against a service directly from concerned authority. The grievance is regularly monitored and disposed by NMDFC in time bound manner.”

9.10 The Committee find that NMDFC organizes periodic meetings with the SCAs for reviewing schemes implementation, carrying out beneficiaries verification and impact study through independent expert agencies and directs SCAs to place their beneficiary data on the respective websites for monitoring of the implementation of all the Schemes. They further note that NMDFC monitors the utilisation of funds disbursed to SCAs as further fund disbursement is based on the submission of utilisation certificates for funds drawn earlier. Simultaneously SCAs have been delegated powers, requisite freedom and flexibility in identification of beneficiaries, sanction and

disbursement of loans and recoveries. The Committee are surprised to find that despite a stringent monitoring mechanism, there are several instances of default by SCAs and a very low number of beneficiaries to the extent that there are NPAs to the tune of ₹18.16 crore and an amount of ₹223.85 crore being overdue on beneficiaries. Several States/UTs such as Punjab, Nagaland, Uttar Pradesh, Bihar, Mizoram, Assam, Puducherry, etc have defaulted. The Committee are of the strong view that a National level Portal, which is proposed to be developed, can prove to be a milestone in making the information readily available and help taking quick decisions in case of any default. In this context, however, the Committee are perturbed to note that the NMDFC had floated tenders inviting the bids for the development of software but the process could not materialize as its cost was considered high. The Committee hope that the tenders will be floated again. They would appreciate if the consultation with NIC/NICSI on the matter is expedited and the software is developed in a time-bound manner without any further delay. The Committee would also like to suggest that once developed, all the SCAs must be asked to upload beneficiary data online onto the MIS portal of NMDFC so that the information is easily accessible for taking decisions and drawing future roadmap. The Committee may be apprised of the outcome of the measures taken in respect of the National Level Portal and uploading of beneficiary data on the MIS portal of the NMDFC in due course.

NEW DELHI;
02 August, 2022
11 Sravana, 1944 (Saka)

RAMA DEVI
Chairperson,
Standing Committee on Social
Justice and Empowerment

STANDING COMMITTEE ON SOCIAL JUSTICE AND EMPOWERMENT

MINUTES OF THE THIRD SITTING OF THE STANDING COMMITTEE ON SOCIAL JUSTICE AND EMPOWERMENT (2020-21) HELD ON 19 JANUARY, 2021 IN COMMITTEE ROOM 'D', PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1130 hrs. to 1315 hrs.

PRESENT

Smt. Rama Devi - Chairperson

MEMBERS

Lok Sabha

2. Smt. Sangeeta Azad
3. Smt. Pramila Bisoyi
4. Shri Thomas Chazhikadan
5. Shri Y. Devendrappa
6. Smt. Ranjeeta Koli
7. Shri Vijay Kumar
8. Smt. Rekha Arun Verma

Rajya Sabha

9. Smt. Jharna Das Baidya
10. Smt. Ramilaben Bara
11. Smt. Geeta *alias* Chandraprabha
12. Shri Narayan Koragappa
13. Shri Ramkumar Verma
14. Shri Ram Ji

SECRETARIAT

- | | | | |
|----|---------------------|---|------------------|
| 1. | Smt. Anita B. Panda | - | Joint Secretary |
| 2. | Smt. Mamta Kemwal | - | Director |
| 3. | Shri Janmesh Singh | - | Deputy Secretary |

REPRESENTATIVES OF THE MINISTRY OF MINORITY AFFAIRS AND NMDFC

Sl. No.	Name	Designation and Organization
1.	Shri Pramod Kumar Das	Secretary, M/o Minority Affairs
2.	Shri Charan Preet Singh Bakshi	Joint Secretary, M/o Minority Affairs
3.	Shri Md. Shahbaz Ali	Chairman-cum-Managing Director, NMDFC
4.	Shri Kumar Sudesh	Chief Manager, NMDFC

2. At the outset, the Hon'ble Chairperson welcomed the Members to the sitting of the Committee convened to consider the draft Report on 'The Maintenance and Welfare of Parents and Senior Citizens (Amendment) Bill, 2019'.

3. Thereafter, the Chairperson requested the Members to give their suggestions, if any on the draft Report. The Report was unanimously adopted by the Committee. The Committee then authorized the Chairperson to finalize the Report in the light of consequential changes that might arise out of factual verification of the Report and to present the same to both the Houses of Parliament on 29th January, 2021.

4. Thereafter, the representatives of the Ministry of Minority Affairs and National Minorities Development and Finance Corporation (NMDFC) were ushered to the sitting of the Committee for briefing on the subject 'Review of the functioning of the National Minorities Development and Finance Corporation (NMDFC)'. The Chairperson welcomed the representatives to the sitting and drew their attention to Direction 55(1) of the Directions by Speaker, Lok Sabha regarding confidentiality of the Sitting.

5. The Secretary, Ministry of Minority Affairs then briefed the Committee about the major schemes and programmes of NMDFC. Thereafter, a power point presentation was held to apprise the Committee about the overall functioning and achievements of NMDFC. Some of the broader issues which emerged during the presentation and simultaneous discussion with the Committee are as follows:-

- (i) Status of Equity contribution from States/UTs and reasons for shortfalls.
- (ii) Status of implementation and salient features of various financing schemes of NMDFC.
- (iii) Status and functioning of the State Channelizing Agencies (SCAs) in various States.

- (iv) Need for enhanced allotment under Grants-in-aid to SCAs for organizing State/District level exhibitions at locations under the Marketing Assistance Scheme.
- (v) Details of funds disbursed to the beneficiaries under the Schemes of NMDFC.
- (vi) Utilization of funds and other financial/ physical achievements of NMDFC.
- (vii) Need to establish on-line grievance redressal mechanism for NMDFC beneficiaries.
- (viii) Various outreach programmes of NMDFC.

6. The Committee directed the representatives of the Ministry to furnish written replies to the queries which were not responded to by them during the sitting or on which the requisite information was not readily available with them, to the Committee at the earliest. The witnesses then withdrew.

The Committee then adjourned.

A copy of the verbatim record of the proceedings pertaining to the briefing has been kept.

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MINUTES OF THE TENTH SITTING OF THE STANDING COMMITTEE ON SOCIAL JUSTICE AND EMPOWERMENT (2021-22) HELD ON FRIDAY, 31st MARCH, 2022

The Committee met from 1500 hrs. to 1645 hrs. in Committee Room No. '3', Parliament House Annexe- Extension Building, New Delhi.

PRESENT

SMT. RAMA DEVI - CHAIRPERSON

MEMBERS

LOK SABHA

2. Smt. Sangeeta Azad
3. Smt. Pramila Bisoyi
4. Shri Thomas Chazhikadan
5. Shri Chhatar Singh Darbar
6. Shri Y.Devendrappa
7. Shri Abdul Khaleque
8. Smt. Geeta Kora
9. Smt. Supriya Sule
10. Smt. Rekha Verma
11. Shri Tokheho Yepthomi

Rajya Sabha

12. Smt. Ramilaben Bara
13. Shri Abir Ranjan Biswas
14. Smt. Geeta alias Chandraprabha
15. Shri Narayan Koragappa
16. Smt. Mamata Mohanta

SECRETARIAT

1. Smt. Anita B. Panda - Joint Secretary
2. Smt. Mamta Kemwal - Director
3. Shri Krishendra Kumar - Deputy Secretary

REPRESENTATIVES OF THE MINISTRY OF MINORITY AFFAIRS

I Shri Pawan Kumar Director

REPRESENTATIVES OF THE NMDFC

Shri Siddharth Kishore Dev Verman Secretary, NCM and CMD,
NMDFC(Additional Charge)

Shri Kumar Sudesh DGM, Finance, NMDFC

Shri Nixon Mathur DGM (Planning)/CS,
NMDFC

Shri Manoj Punia DGM (Admin/Accounts),
NMDFC

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee and informed the Members that the Committee is to consider the Draft Report on 'Review of the Functioning of Eklavya Model Residential Schools (EMRS)' and requested the Members to give their suggestions, if any, on the draft Report. The Report was unanimously adopted by the Committee without any modifications. The Committee then authorised the Chairperson to finalise the Report in the light of consequential changes that might arise out of factual verification of the Report and to present the same to both the Houses of Parliament on 1st April, 2022.

3. Thereafter, the representatives of the National Minorities Development and Finance Corporation (NMDFC) were ushered in for taking evidence on the subject 'Review of the functioning of the National Minorities Development and Finance Corporation (NMDFC)'. In her opening remarks, the Chairperson welcomed the representatives to the sitting of the Committee and drew their attention to the important issues concerning the subject and also to the Direction 55(1) of the Directions by Speaker, Lok Sabha regarding confidentiality of the Sitting.

4. Thereafter, a short film was screened on the achievements of NMFDC with the permission of Chairperson followed by Power Point Presentation on the overall functioning of NMDFC. The following issues were *inter-alia* taken up for discussion:

- (i) Criteria for allocation of funds to States/ UTs
- (ii) Implementation of Schemes and the role of State Channelising Agencies (SCAs) in the implementing of Schemes.
- (iii) Welfare of artisans

- (iv) Organising of 'Hunar Haat' in different cities.
- (v) Mode of disbursement of loans in States/ UTs not having SCAs.
- (vi) Awareness about Schemes of NMDFC.
- (vii) Under utilisation/misutilisation of funds granted by NMDFC to States/ UTs.
- (viii) Status of MIS portal for uploading of data.

5. The representatives of the NMDFC responded to the queries raised by the Members to the extent possible on the above mentioned issues. Before concluding the meeting, the Chairperson directed the representatives to furnish written replies to the queries which could not be answered by them during the sitting or on which the requisite information was not readily available with them to the Committee at the earliest.

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

The witnesses then withdrew

[A copy of the verbatim proceedings was kept on record]

The Committee then adjourned.

MINUTES OF THE FOURTEENTH SITTING OF THE STANDING COMMITTEE ON SOCIAL JUSTICE AND EMPOWERMENT (2021-22) HELD ON TUESDAY, 2nd AUGUST, 2022

The Committee met from 1030 hrs. to 1100 hrs. in Chairperson's Chamber, Room No. 113, Parliament House Annex, Extension Building, New Delhi.

PRESENT

SMT. RAMA DEVI - CHAIRPERSON

MEMBERS

LOK SABHA

2. Smt. Sangeeta Azad
3. Shri Bholanath 'B.P. Saroj'
4. Smt. Pramila Bisoyi
5. Shri Thomas Chazhikadan
6. Shri Y. Devendrappa
7. Smt. Ranjeeta Koli
8. Smt. Geeta Kora
9. Shri Vijay Kumar
10. Shri Akshaibar Lal
11. Smt. Supriya Sule

RAJYA SABHA

12. Smt. Ramilaben Becharbhai Bara
13. Shri Abir Ranjan Biswas
14. Smt. Geeta *alias* Chandraprabha
15. Shri N.Chandrasegharan
16. Shri Narayan Koragappa

SECRETARIAT

1. Smt. Anita B. Panda - Additional Secretary
2. Shri T.S. Rangarajan - Joint Secretary
3. Smt. Mamta Kemwal - Director
4. Shri Krishendra Kumar - Deputy Secretary

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee and apprised them that the sitting has been convened to consider and adopt the following draft Reports:

(i) 35th Report on 'Review of the functioning of the National Minorities Development and Finance Corporation (NMDFC)' of the Ministry of Minority Affairs.

(ii) XX XX XX XX XX

(iii) XX XX XX XX XX

3. The Chairperson then requested the Members to give their suggestions, if any, on the draft Reports. The Report was adopted by the Committee without any modifications.

4. The Committee then authorized the Chairperson to finalize the draft Report in the light of consequential changes that might arise out of factual verification of the draft Report and to present the same to both the Houses.

The Committee then adjourned.

XX Does not pertain to this Report

ANNEXURE

STATEMENT OF OBSERVATIONS/RECOMMENDATIONS

Sl.No	Para No.	Observations/ Recommendations
1.	2.10	<p>The Committee find that the equity structure of NMDFC has been revised six times since its inception in 1994 from ₹500.00 crore to ₹3,000.00 crore. The last revision was made in February 2015. However, the authorised share capital of the Central Government, as well as State Governments, have not reached the maximum level till date. The Central Government has contributed 89.95%, whereas State Governments have contributed only 49.71% up to 31.05.2022. The Committee are perturbed to note that some of the States/UTs viz., Arunachal Pradesh, Goa, Lakshadweep, Meghalaya, Sikkim, Telangana and Andaman & Nicobar Islands have not contributed even a single penny towards the equity of NMDFC. The Committee further note that the States of Andhra Pradesh, Assam, Bihar, Jharkhand, Madhya Pradesh, Maharashtra, Punjab, Tamil Nadu and Uttar Pradesh have contributed very meagre amounts. They are surprised to note that all efforts made by NMDFC to maximise the equity from State Governments have remained futile. The Committee are unable to comprehend the reasons for such non-cooperative behaviour of State Governments, despite being regularly approached. Presumably, States are well aware that the availability of funds would enable NMDFC to enhance their capacity to fund welfare schemes of the Government in the interest of the targeted sections residing in the States. Hence, they</p>

		<p>must contribute. The Committee would, therefore, recommend that this issue needs to be placed at the highest level so that contribution from the defaulting States can be realised. The Committee would also like the Ministry to take appropriate measures to increase awareness among the deprived sections of the Minority Community to avail benefits under various Schemes of NMDFC.</p> <p>The Committee note that NMDFC has approached the Ministry to increase the authorised share capital from ₹3,000 crore to ₹5,000 crore. They desire that the Ministry may examine and decide on it without further loss of time so that the proposal for increase in the authorised capital of NMDFC is approved.</p>
2.	3.25	<p>The Committee are constrained to note that the credit schemes of NMDFC namely Term loan scheme, Educational loan scheme, Virasat scheme and Micro-Financing Scheme, which are meant for providing concessional loans for self-employment and income generation activities have not benefitted the notified Minority population of over 23 crore in the Country, as per 2011 census. The Committee are further perturbed that there are no beneficiaries even in the States of Maharashtra, Bihar, Assam, Odisha, and Telangana, where substantial minority population exists, under all the Credit Schemes of NMDFC. As per the information provided to the Committee, the Term Loan Scheme has been able to make inroads in 17 States/ UTs, Educational loan Scheme in 14 States/ UTs and Virasat Scheme in only 3 States/ UTs. The Committee feel that perhaps the</p>

		<p>implementation of these Schemes is flawed since it cannot be assumed that there is no demand for these Schemes in all States/ UTs, from the Minority communities. The Committee, therefore, feel that the Ministry of Minority Affairs needs to re-examine their implementation strategy and identify factors which are becoming a hurdle in popularising these Schemes in all the States/ UTs and take requisite action to plug the flaws. The Committee also suggest that perhaps there are more successful similar schemes run by State Governments, hence the utility of the NMDFC schemes may be examined in the light of the similar schemes made available by the State Governments/UT Administrations and such Schemes may be discontinued/revamped if found to be not preferred over the schemes of State Governments. The Committee may be apprised of the outcome of the action taken by the Ministry in this regard.</p>
3.	3.26	<p>The NMDFC extends Educational loans intending to facilitate job-oriented education for eligible persons belonging to minority communities. The Committee are astonished to find that only 16,011 beneficiaries have availed assistance under the Educational Loan Scheme of NMDFC in the last five years. Besides, the Ministry has provided the information of the beneficiaries under Education Loan Scheme for 14 States/UTs only. The Committee are quite perturbed to note that the States having a large population of minority Communities viz., Maharashtra, Bihar, Punjab and Assam do not have even a single beneficiary under the Educational Loan Scheme</p>

		<p>and wonder whether adequate awareness is missing about the Scheme. The Committee also find that some of the applications received for education loans were not considered due to the non-submission of required documents. They feel that every effort should be made by NMDFC/SCAs to provide the necessary assistance to applicants so that their applications are not rejected for lack of documents, particularly when achievement under the Education Loan Scheme is quite dismal. The Committee are also livid that the SCAs do not maintain the data of the candidates who are gainfully employed after they completed their education with the loan from NMDFC because such data only can ascertain the success of the scheme in not only fulfilling the objective but also to ensure that the loan sanctioned is paid back by the beneficiaries otherwise there are chances of the loan remaining unpaid in case the beneficiaries stay unemployed for long. The Committee are also of the strong opinion that the quantum of Education loans needs to be periodically assessed in the light of the rising cost of education so that students availing of loans do not face financial crisis during their studies and drop out.</p>
4.	3.27	<p>The Committee note that Virasat Scheme was started in 2018-19 to meet the credit requirements of the artisans in terms of working capital as a large number of artisans belonging to Minority Communities face a cash crunch to meet their working capital for the purchase of raw material. It seem to the Committee that the Scheme did not pick up initially as only 8 persons from Jammu &</p>

		<p>Kashmir and 73 persons from Gujarat could get benefit from this Scheme in 2018-19 and 2019-20, respectively. However, later the Scheme picked up with the association of Canara Bank as they have statedly assisted 298 artisans in 2021-22. The Committee believe that since the Scheme is relatively new and the COVID Pandemic was prevalent during the major part of the period 2018 - 2021, it did not perform so well. However with the recent spurt in the number of beneficiaries, the Committee are hopeful that the Scheme will be successful as it has shown encouraging results with the association of Canara Bank. The Committee would like to see more Public Sector Banks and Regional Rural Banks associated with the Scheme so that the benefits are availed by craftsmen and traditional artisans all over the Country. The Committee would also like the Ministry to take effective measures to popularize the Scheme among artisans, particularly in rural and semi-urban areas so that many regional traditional crafts, which are on the verge of extinction, can be preserved. The Ministry should also collect feedback/suggestions from all the stakeholders to introduce changes that might be required to further promote the Scheme among artisans belonging to minority communities.</p>
5.	3.28	<p>The Committee are concerned to find that the beneficiaries from 8 States/ UTs only have availed loans under the Micro-Finance Scheme since 2015-16 and the rate of interest charged on the loan sanctioned under the Scheme is 7% in Credit Line-I and 10% in Credit Line-2. Maximum beneficiaries belong to West Bengal, Tamil</p>

		<p>Nadu, Kerala and Jammu & Kashmir. The Committee are of the strong view that the 7% and 10% interest rate charged from the beneficiaries by the State Channelising Agencies is rather on the high side as the scheme is conceived to cater to the requirement of the poor members of the Self Help Groups to meet their livelihood particularly when the interest charged by NMDFC is only 1% from SCAs. To popularize the Microfinance Scheme, the Committee opine that the interest rate charged is required to be re-examined and revised so that a large number of individuals get attracted to the Scheme. The Committee would like to be informed of the measures taken to popularize the Scheme in all the States/ UTs.</p>
6.	4.7	<p>The Promotional Schemes viz ., Mahila Samridhi Yojana and Market Assistance Scheme are being run by NMDFC through the State Channelising Agencies in the Country. Under Mahila Samridhi Yojana, training is given to a group of around 20 women in any suitable women-friendly craft activity whereas, in Marketing Assistance Scheme, NMDFC assists the SCAs in organizing State/ District level exhibitions at selected locations. The Committee are surprised to find that during the last five years, only 944 women from the States of Maharashtra, Rajasthan, Tripura, Uttarakhand, J&K and Uttar Pradesh have benefitted from the Scheme. The Committee are further surprised with the frequency of the exhibitions organized as only 17 exhibitions were organized in Jammu & Kashmir, Kerala, Gujarat and Nagaland in the six years period from 2016-17 to 2021-22 under Market Assistance Scheme. The Committee desire to be</p>

		<p>apprised of the reasons for the slow progress of these Schemes as well as the action envisaged by NMDFC to address any shortcomings leading to poor performance of the Schemes. They feel that only SCAs should not be made responsible for the poor implementation of these Schemes as the Ministry is expected to take concrete and continuous efforts for making their Schemes successful. Since the onus of the overall performance lies with the Ministry as well as NMDFC, the Committee would like them to act now so that the noble objectives to provide micro-credit assistance after adequate training to minority women and marketing assistance to the members of the Minority Communities are not defeated.</p>
7.	5.28	<p>The Committee note that the various Schemes of NMDFC are implemented by State Channelising Agencies (SCAs) nominated by the State Governments/ UTs Administrations. These SCAs are corporations registered under the Companies Act and the funds to SCAs are released against Sovereign Guarantee issued by respective State Governments/ UT Administrations. NMDFC has 45 SCAs in 27 States and 8 UTs. Presently 39 SCAs are operational while 6 SCAs are non-operational mainly due to reasons like pending General Loan Agreement and furnishing of Sovereign Guarantee by the respective State Governments/UTs. The Committee note that despite the best efforts of NMDFC, some SCAs could not be made operational in a large number of States/ UTs i.e. Assam, Bihar, Chhattisgarh, Haryana, Nagaland, Mizoram, Punjab, Puducherry, Tripura, Gujarat, Rajasthan and Uttar Pradesh, as they</p>

		<p>did not settle the overdues. The Committee find that NMDFC has tied up with Canara Bank for the implementation of their Schemes in August 2021. This experiment so far has helped to implement the Schemes. However, the Committee are apprehensive that since the Banks also have to run their own business, it has to be ensured that the Schemes of NMDFC are given due attention and importance by the Bank. The Committee further feel that NMDFC should explore further for tie ups with other regional Banks. The Committee are also of the view that the role of State Governments/UT Administrations is more important in the implementation of the NMDFC Schemes as these schemes are welfare-oriented and the successful implementation of these schemes reflects the sensitivity of the Governments towards targeted sections of the Minority Communities. The Committee, therefore, recommend that the State Governments, which have shown the least interest/indifference should be convinced about the potential benefits of the Schemes and brought on board so that the issues, if any, are resolved and the schemes are implemented by them.</p>
8.	5.29	<p>The Committee are constrained to note that SCAs of NMDFC take 30-35 days to sanction loans and other sister corporations of NMDFC have prescribed 120 days for sanction and disbursement of the loans. The period is rather long when Banks normally take 15-20 days to sanction loans. The Committee are not convinced with the reason that the slow process for sanctioning loans is due to the non-availability of field infrastructure and</p>

		<p>manpower with SCAs and lack of automation as the Ministry has a provision for Grant-in-Aid to strengthen the credit delivery system and recovery infrastructure of SCAs. Besides most of the States have now developed strong automated systems for financial work. The Committee are of the strong view that NMDFC need to suggest suitable steps to the SCAs to streamline/expedite the loaning process as the time consumed in sanctioning the loan must be substantially reduced. It may be too early for the Committee to comment on the recent advisory issued to SCAs to simplify the documents to be submitted with the application and automation of the loan process, decentralization of authority to sanction loans etc. unless the time currently consumed by SCAs/ NMDFC in sanctioning is actually reduced to 15-20 days soon. The Committee would therefore like to be apprised of the impact of this advisory at the action taken stage. They recommend that NMDFC should not lose any time now to develop a mechanism to regularly monitor the loaning process, ensuring that steps suggested by them are followed by SCAs and the time consumed in sanctioning loans is brought down.</p>
9.	5.30	<p>The Committee are deeply concerned to find that the Non-Performing Assets (NPAs) of NMDFC are to the tune of ₹18.16 crore in respect of SCAs/NGOs and that an amount of ₹223.85 crore is overdue on the State Governments/UT Administrations as on 31st March 2022. The Committee are unable to understand the reasons why NPAs of NMDFC and the pending dues of States/</p>

		<p>UTs have accumulated to such a high level particularly when NMDFC has the option of One Time Settlement Scheme and re-scheduling of these pending dues to settle the account of SCAs. The Committee at the same time believe that banning of defaulter SCAs should be used rarely by NMDFC since welfare schemes can be run by the State only. Instead, efforts should be focussed on evolving a system that takes care of any lacunae which leads to defaulting in payment. For speedy recovery of overdues, the Committee desire that the Ministry should take up the matter of NPAs/ pending dues of SCAs with State Governments and convince them to help their respective SCAs by providing soft loans/grants to settle the dues for resumption of implementation of the schemes of NMDFC in their States.</p>
10.	5.31	<p>The Committee are surprised to find that the staff deployed at most of SCAs is inadequate even when there is a provision of Grant-in-Aid for SCAs. The Committee also find that the training of SCAs staff is not adequate as only 7 programmes have been organized between 2016 to 2019. No programme has been organized thereafter. The Committee, however, does not find any guideline prescribed by NMDFC for a minimum staff strength of SCAs or their training. The Committee, therefore, desire that NMDFC should fix a minimum number of staff strength for each SCA and should ensure that the staff strength and infrastructure of each SCA are in tune with the prescribed standard, before those are appointed as SCA. The Committee would also like the NMDFC to periodically hold training for SCA staff and</p>

		also direct each SCA to hold training at a particular interval locally.
11.	6.7	<p>The Committee note that the Grant-in-Aid of ₹2.00 crore earmarked annually is provided by the Ministry to SCAs through NMDFC. However, the amount sanctioned under Grant-in-Aid during the year 2016-17, 2017-18, 2019-20 were ₹1.27 crore, ₹0.30 crore and ₹1.925 crore respectively and that it was reduced at the RE stage to ₹0.965 crore from ₹2.00 crore in the year 2020-21. The Committee strongly believe that as various Schemes of NMDFC are being implemented through SCAs, the infrastructure, adequate manpower, computerisation and strong mechanism for capacity building of SCAs should be the utmost priority of the NMDFC/Ministry. The Ministry have already admitted before the Committee that one of the reasons for the poor implementation of the Schemes of NMDFC is weak infrastructure of SCAs. It is a matter of concern that despite the availability of funds, the same were not used. Since NMDFC is the nodal organisation to disburse the funds, they should have examined the lacunae and plugged them in time so that the funds meant for building the infrastructure of SCAs are fully utilised. The Committee note that SCAs in 15 States have availed Grand-in-Aid during the last five years and the Grant-in-Aid provided to these SCAs was not fully utilised as out of ₹633.50 lakh granted to these SCAs only ₹404.50 lakh could be utilised. The Committee desire to know if NMDFC made any efforts to find out reasons for this huge gap between the funds released and utilised. The Committee would like the</p>

		<p>Ministry/NMDFC to develop requisite oversight so that the funds meant for Grant-in-Aid are utilised fully. The Committee are also not convinced of an increase in budgetary allocation from ₹2.00 crore to ₹5.00 crore particularly when the available funds of ₹2.00 crore could not be utilised in 2016-17, 2017-18, 2019-20. The Committee would therefore like the Ministry to take appropriate steps so that the funds allocated are fully utilised for upgrading the infrastructure of SCAs.</p>
12.	7.11	<p>The Committee note that the financial assistance under Credit Line-1 is provided to the persons of Minority Communities having an annual family income of ₹98,000/- in rural areas and ₹1.20 lakh in urban areas. Under Credit Line-2, the benefits are available to persons with an annual family income of up to ₹8.00 lakh. The Committee are, however, surprised to find that the number of beneficiaries under Credit Line-2 is substantially less in comparison to Credit Line-1 as the number of beneficiaries under Credit Line-1 and Credit Line-2 was 4,30,557 and 34,892 respectively from 2017-18 to 2019-20. As the number of beneficiaries under Credit Line-1 is substantially less in urban areas in comparison to rural areas, the Committee feel that the NMDFC should try to perform better in urban areas in Credit Line-1. The Committee also desire that the annual family income limit for the beneficiaries under Credit Line-1 for urban areas should be increased after considering the increased average annual family income in urban areas so that more persons belonging to economically weaker minority communities could get the benefits under various</p>

		<p>schemes of NMDFC at a lower rate of interest. The Committee also desire that the reasons why Credit Line-2 has not picked up should be examined since the annual income limit set in 2014-15 was increased in 2019-20 for wider outreach.</p>
13.	7.12	<p>The Committee find that under the Kerala Model, a corpus has been created to provide insurance to the beneficiaries financed under NMDFC Schemes. In line with the Kerala Model, SCAs have been advised to get insurance for the beneficiary and assets financed, to protect the beneficiary and his family from any untoward incident. The Committee feel that if Kerala Model is replicated by all the States/UTs, it would save the SCAs who undertake the financing of a large number of beneficiaries from any default since in case of any untoward incident the claim can be realized by the SCAs. In tune with the advisory, the SCAs have now started providing insurance along with the loan in the States of Haryana, Himachal Pradesh, Uttarakhand, Rajasthan, Gujarat, Kerala, Tamil Nadu, Tripura, Chandigarh, Mizoram, Jammu & Kashmir and Delhi. The Committee recommend that the provision of insurance for beneficiaries and their assets should be adopted and implemented by all the States/ UTs to safeguard the beneficiaries and SCAs. The Committee would like to be apprised of the progress in this regard.</p>
14.	8.8	<p>The Committee note that SCAs have been advised to organise awareness camps in areas with high minority concentration to disseminate information about the Schemes of NMDFC. As per the norms fixed, each SCA is allocated 10 awareness camps @ ₹50,000/- per camp at the beginning of each year. The Committee are constrained to observe that only 1077 camps could be organised between 2015-16 and 2021-22 in the States of</p>

		<p>Haryana, Himachal Pradesh, Kerala, Tamil Nadu, J&K, and Uttarakhand. In 2015-16, 2016-17 and 2021-22 only 85, 92 and 76 camps could be organised, respectively. The Committee would like to understand the reasons for which awareness camps could not be organised as envisaged even when financial assistance of ₹50,000 was provided for organising each camp. They recommend that the NMDFC/Ministry should identify the minority concentration districts in the country where the Schemes of NMDFC have not taken off well and more awareness camps should be organised particularly in those Districts/ areas so that these schemes are able to attract the targeted population.</p>
15.	9.10	<p>The Committee find that NMDFC organizes periodic meetings with the SCAs for reviewing schemes implementation, carrying out beneficiaries verification and impact study through independent expert agencies and directs SCAs to place their beneficiary data on the respective websites for monitoring of the implementation of all the Schemes. They further note that NMDFC monitors the utilisation of funds disbursed to SCAs as further fund disbursement is based on the submission of utilisation certificates for funds drawn earlier. Simultaneously SCAs have been delegated powers, requisite freedom and flexibility in identification of beneficiaries, sanction and disbursement of loans and recoveries. The Committee are surprised to find that despite a stringent monitoring mechanism, there are several instances of default by SCAs and a very low number of beneficiaries to the extent that there are NPAs</p>

		<p>to the tune of ₹105.13 crore and an amount of ₹223.85 crore being overdue on beneficiaries. Several States/UTs such as Punjab, Nagaland, Uttar Pradesh, Bihar, Mizoram, Assam, Puducherry, etc have defaulted. The Committee are of the strong view that a National level Portal, which is proposed to be developed, can prove to be a milestone in making the information readily available and help taking quick decisions in case of any default. In this context, however, the Committee are perturbed to note that the NMDFC had floated tenders inviting the bids for the development of software but the process could not materialize as its cost was considered high. The Committee hope that the tenders will be floated again. They would appreciate if the consultation with NIC/NICSI on the matter is expedited and the software is developed in a time-bound manner without any further delay. The Committee would also like to suggest that once developed, all the SCAs must be asked to upload beneficiary data online onto the MIS portal of NMDFC so that the information is easily accessible for taking decisions and drawing future roadmap. The Committee may be apprised of the outcome of the measures taken in respect of the National Level Portal and uploading of beneficiary data on the MIS portal of the NMDFC in due course.</p>
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