

MINUTES OF THE REVIEW MEETING OF THE NATIONAL SCHEDULED CASTES FINANCE & DEVELOPMENT CORPORATION (NSFDC) TAKEN BY NATIONAL COMMISSION FOR SCHEDULED CASTES (NCSC) HELD ON 23.03.2015 AT NSFDC, HEAD OFFICE, 14th FLOOR, CORE-1 &2, SCOPE MINAR, LAXMINAGAR, DELHI

The review meeting of NSFDC was held under the Chairmanship of Dr. P.L.Punia, Hon'ble Chairman, National Commission for Scheduled Castes (NCSC) on 23.03.2015 at NSFDC, Head Office, Delhi. List of participants is at **Annexure-I**.

At the outset CMD, NSFDC extended warm welcome to Dr. P.L Punia, Hon'ble Chairman, Dr. Raj Kumar Verka, Hon'ble Vice Chairman, Shri Raju Parmar, Hon'ble Member, Shri Ishwar Singh, Hon'ble Member and Smt. P. M. Kamalamma Hon'ble Member. Dr. Vinod Aggrawal, Secretary, Dr. (Mrs.)Smita Chaudhri, Joint Secretary and all other officers of NCSC present in the meeting.

The CMD, NSFDC with the permission of the Chair, gave a brief presentation covering background, Profile of Scheduled Castes, Schemes of NSFDC, major achievements in the last 10-years, MoU Targets vs Achievements (2014-15), Recent initiatives, Road map for the next 7 years, critical issues and challenges faced by the NSFDC.

Following major issues were taken up for discussion during Review Meeting:-

1. CMD, NSFDC apprised the Commission that in-spite of various efforts, NSFDC has not been able to disburse funds to some States. The National Commission for Scheduled Castes (NCSC) wanted to know how MUDRA Bank could help NSFDC in channelizing its funds in these States. The action taken report may be submitted to NCSC.
2. On the issue of overdues with the State Channelizing Agencies (SCAs), NCSC suggested that Central Govt. should deduct overdues amount of NSFDC from the grant-in-aid before releasing the same to the respective State for payment of overdues to the NSFDC. The Central Government should intervene in this matter as it contributes 49% of the Paid up Share Capital to the SCAs and the issue of overdues should also be included in the agenda of the State Ministers Meetings convened by the MOSJ&E.
3. The NCSC suggested that NSFDC should simplify the procedure for disbursement of loans to the beneficiaries, process of selection of beneficiary and disbursement of loan should be made transparent.
4. The NCSC wanted to know whether NSFDC is planning to enhance the existing unit cost of schemes and enquired how NSFDC plans to cover 16.6% population of Scheduled Castes.
5. The NCSC suggested to give preference to Polytechnic and ITI students in providing Education Loan and to enhance the annual family income of the student of the target group for eligibility of Education Loan Scheme upto Rs. 5.00 lakhs (from the existing Rs. 81,000/- for rural &Rs. 1,03,000/- for urban areas).
6. The NCSC was of the opinion that it is difficult for poor Scheduled Caste persons to access loan from Banks and the State Corporations should be made functional to support poor families of Scheduled Castes.

7. The NCSC expressed concern on the performance of the NSFDC and also wanted to know how NSFDC is performing in comparison to the National Minorities Development & Finance Corporation (NMDFC).
8. The NCSC desired that the schemes of the NSFDC should be evaluated and suggested that apart from on-going evaluation studies, a separate socio-economic impact study should also be commissioned. The study should be commissioned in 4 States representing 4 zones of the country.
9. The NCSC is concerned and noted that there is no details/ data as how many scheduled castes persons were covered through their schemes. The NSFDC has also not given the details/data to indicate no. of beneficiaries who were actually benefited. The NSFDC is requested to give the detail.

Reply of CMD on the above points:

- The Department of Financial Services, Ministry of Finance has set up a core group to finalize the modalities of operation of MUDRA Bank and it will put in place a rating mechanism for MFIs and also act as the regulatory body for the MFIs. NSFDC would then try to reach out the target group in these states through MFIs.
- The NSFDC has already initiated e-Governance project to improve transparency and reduce time in processing the application. The Department of Electronics & Information Technology (DEITY) has sanctioned Rs. 8.19 lakh to NSFDC for preparation of the DPR for e-governance of NSFDC schemes under National e-Governance Project. The agency for the preparation of DPR through NICSII has been finalized. The software would have provisions for customization so that it could cater to state specific needs of State Channelizing Agencies (SCAs). This project would be piloted in West Bengal, It is assured that the concerns of the Commission would be addressed after operationalization of the citizen centric software.
- The NSFDC is expected to disburse limited amount of fund to a large number of beneficiaries as per MOU targets that are fixed by the Ministry. Therefore, it may not be possible to substantially enhance the unit cost on account of funds constraints. However, efforts are being made to increase the unit cost every year and NSFDC is not expected to cover the entire population of the Scheduled castes. It is expected to play the role of catalyst in economic empowerment of only DPL population of the Scheduled Castes.
- NSFDC has been commissioning external evaluation studies for evaluation of its schemes. In 2014-15, NABARD Consultancy Services (NABCONS) has been assigned the task to conduct evaluation studies.

The Commission suggested the NSFDC to take following actions:-

1. NSFDC will submit a note requesting MOSJ&E for deducting its overdues amount from the grant-in-aid before releasing the same to the respective State for payment of overdues to the NSFDC.
2. NSFDC will submit proposal to the MOSJ&E for enhancing the annual family income of the student of the target group for eligibility of Education Loan Scheme up to Rs. 5.00 lakhs (from the existing Rs. 81,000/- for rural and Rs. 1,03,000/- for urban areas).
3. NSFDC will submit a report to the Commission (NCSC) comparing various aspects of its performance with the NMDFC.
4. NSFDC would commission a Socio-economic impact evaluation study with an objective to assess the impact of NSFDC schemes on the socio-economic conditions of

beneficiaries. Beneficiaries in four states, one each from North, South, East & West zone, who were provided loan in the past, may be covered under the aforesaid study.

5. The details/ data as how many scheduled castes persons were covered through their schemes and the details/data to indicate no. of beneficiaries who were actually benefited. The NSFDC is requested to give the detail.
6. It was discussed that though the equity given to NSFDC needs to be increased none the less, the equity given to it over the years almost amount to 1000 crores which may be more than equity of many Banks but the results by the NSFDC have not really touched about 2-3% of target population which suggest the implementation of the Scheme is done in very shoddy manners. Besides that the total loan given in last 25-30 years amount to Rs. 3000 crores which suggest that circulation rate of the funds given is very slow which also need to be improved tremendously.

NSFDC assured to take necessary action on the above issues. The meeting concluded with a vote of thanks to the Chair.

Hon'ble Dignitaries of NCSC

1. Dr. P.L Punia, Hon'ble Chairman,
2. Dr. Raj Kumar Verka, Hon'ble Vice- Chairman,
3. Shri Raju Parmar, Hon'ble Member,
4. Shri Ishwar Singh, Hon'ble Member
5. Smt. P. M. Kamamma Hon'ble Member

Officers of NCSC

1. Dr. Vinod Aggrawal, Secretary,
2. Dr. (Smt.)Smita Chaudhri, Jt. Secretary
3. Sh. M.R.Bali, Consultant
4. Sh. P.S.Mehta, Research Officer

Officers of NSFDC

1. Dr. R.K. Singh, CMD
2. Sh. Devanand, DGM
3. Sh. C.Ramesh Rao, AGM
4. Sh. Rajesh Bihari, AGM-cum-CVO
5. Sh. V.P.Singh, AGM
6. Smt. Annu Bhogal, Company Secretary
7. Sh. David Hrangate, Chief Manager
8. Dr.K.C. Mahato, Chief Manager
9. Sh. Ratikanta Jena, Chief Manager
10. Sh. Rakesh, Kumar, Chief Manager
11. Sh. SapanBarua, Manager
