

**GOVERNMENT OF INDIA
MINORITY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:1907
ANSWERED ON:10.08.2006
STRENGTHENING OF NMDFC
Badiga Shri Ramakrishna

Will the Minister of MINORITY AFFAIRS be pleased to state:

- (a) the objectives of the National Minorities Development and Finance Corporation (NMDFC);
- (b) whether the Government is taking measures to strengthen and professionalise it;
- (c) if so, the details thereof;
- (d) whether the NMDFC is plagued by a slew of problems like dismal recovery of loans in many States;severe staff shortage, apart from other administrative and operations problems; and
- (e) if so, the remedial measures taken by the Government in this regard?

Answer

THE MINISTER OF MINORITY AFFAIRS (SHRI A.R. ANTULAY) :

- (a) The aims and objectives of National Minorities Development and Finance Corporation (NMDFC) are given in the enclosed Statement.
 - (b) and (c) An Expert Committee has been constituted to review the functioning of NMDFC and to suggest an action plan for improving its strategy and operational performance.
 - (d) and (e) NMDFC does face problems of poor recovery of loans, staff shortage, inadquate equity contributions by the State Governments, reluctance of State Governments to extend adequate guarantees etc.
Statement
1. To promote economic and developmental activities for the benefit of `Backward Sections` amongst the minorities, preference being given to the occupational groups and women.
 2. To assist,subject to such income and/or economic criteria as may be prescribed by the Government from time to time, individuals or groups of individuals belonging to the minorities by way of loans and advances for economically and financially viable schemes and projects.
 3. To promote seif-employment and other ventures for the benefits of minorities.
 4. To grant loans and advances at such rates of interest as may be determined from time to time in accordance with the guidelines or schemes prescribed by the Central Government or by the Reserve Bank of India.
 5. To extend loans and advances to the eligible members belonging to the minorities for pursuing general/professional/technical education for training at graduate and higher levies.
 6. To assist in the upgradation of technical and entrepreneurial skills of minorities for proper and efficient management of production units.
 7. To assist the State level organizations dealing with the development of the minorities by way of providing financial assistance or equity contribution and in obtaining commercial funding or by way of refinancing.
 8. To work as an apex institution for coordinating and monitoring the work of all corporations/boards/other bodies set up by the State Government/Union Territory Administrations or given the responsibility of assisting the minorities for their economic development; and
 9. To help in furthering the Government policies and programmes for the development of minorities.