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**STANDING COMMITTEE ON SOCIAL JUSTICE AND
EMPOWERMENT (2016-2017)**

(SIXTEENTH LOK SABHA)

MINISTRY OF SOCIAL JUSTICE AND EMPOWERMENT

(DEPARTMENT OF SOCIAL JUSTICE AND EMPOWERMENT)

**[Action taken by the Government on the observations/recommendations
contained in the Thirty-first Report (Sixteenth Lok Sabha) of the Standing
Committee on Social Justice and Empowerment on "Review of the functioning of
the National Backward Classes Finance and Development Corporation
(NBCFDC)"]**

FORTY-SECOND REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 2017/Chaitra, 1939 (Saka)

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Presented to Lok Sabha on 11.04.2017

Laid in Rajya Sabha on 11.04.2017



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 2017/Chaitra, 1939 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON SOCIAL
JUSTICE AND EMPOWERMENT (2016-2017)**

SHRI RAMESH BAIS - CHAIRPERSON

MEMBERS

LOK SABHA

2. Shri Kantilal Bhuria
3. Shri Santokh Singh Chaudhary
4. Shri Sher Singh Ghubaya
5. Shri Jhina Hikaka
6. Shri Sadashiv Kisan Lokhande
7. Smt. K. Maragatham
8. Shri Kariya Munda
9. Prof. Seetaram Azmeera Naik
10. Shri Asaduddin Owaisi
11. Sadhvi Savitri Bai Phule
12. Dr. Udit Raj
13. Smt. Satabdi Roy (Banerjee)
14. Kunwar Bhartendra Singh
15. Prof. Sadhu Singh
16. Smt. Mamata Thakur
17. Shri Mansukhbhai Dhanjibhai Vasava
18. Shri Tej Pratap Singh Yadav
19. Vacant*
20. Vacant*
21. Vacant#

RAJYA SABHA

22. Smt. Jharna Das Baidya
23. Dr. Tazeen Fatma
24. Shri Chunibhai Kanjibhai Gohel
25. Shri Ahamed Hassan
26. Smt. Sarojini Hembram
27. Dr. Narendra Jadhav
28. Smt. Vijila Sathyananth
29. Smt. Wansuk Syiem
30. Smt. Chhaya Verma
31. Shri Ramkumar Verma

* Shri Bhagwant Khuba and Shri Mohanbhai K. Kundariya changed their nomination *w.e.f.* 19.10.2016.

Shri Prakash B. Hukkeri changed his nomination *w.e.f.* 23.11.2016.

LOK SABHA SECRETARIAT

1. Shri Ashok Kumar Singh - Additional Secretary
2. Shri S.C. Chaudhary - Joint Secretary
3. Shri Ashok Sajwan - Director
4. Smt. Mamta Kemwal - Additional Director
5. Smt. Shilpa Kant - Sr. Executive Assistant

INTRODUCTION

I, the Chairperson, Standing Committee on Social Justice and Empowerment (2016-17) having been authorized by the Committee to submit the Report on their behalf, do present this Forty-second Report on the action taken by the Government on the observations/recommendations contained in the Thirty-first Report (Sixteenth Lok Sabha) of the Standing Committee on Social Justice and Empowerment on "Review of the functioning of the National Backward Classes Finance and Development Corporation (NBCFDC)" of the Ministry of Social Justice and Empowerment (Department of Social Justice and Empowerment).

2. The Thirty-first Report was presented to Lok Sabha and laid in Rajya Sabha on 11th August, 2016. The Ministry of Social Justice and Empowerment (Department of Social Justice and Empowerment) furnished their replies indicating action taken on the recommendations contained in that Report on 7th November, 2016. The Report was considered and adopted by the Standing Committee on Social Justice and Empowerment at their sitting held on 7th April, 2017.

3. An analysis of the action taken by Government on the recommendations contained in the Thirty-first Report (Sixteenth Lok Sabha) of the Standing Committee on Social Justice and Empowerment is given in Appendix.

4. For facility of reference observations/recommendations/comments of the Committee have been printed in thick type in the body of the Report.

NEW DELHI;

07 April, 2017

17 Chaitra, 1939 (Saka)

RAMESH BAIS
Chairperson,
Standing Committee on
Social Justice and
Empowerment

CHAPTER - I

REPORT

1.1 This Report deals with the action taken by the Government on the Observations/Recommendations of the Committee contained in their Thirty-first Report (Sixteenth Lok Sabha) on "Review of the functioning of the National Backward Classes Finance and Development Corporation (NBCFDC)" of the Ministry of Social Justice and Empowerment (Department of Social Justice and Empowerment).

1.2 The Thirty-first Report was presented to Lok Sabha/laid in Rajya Sabha on 11th August, 2016. It contained 12 Observations/Recommendations. Replies of Government in respect of all the observations/recommendations have been received and are categorized as under: -

- (i) Observations/Recommendations which have been accepted by the Government :

Paragraph Nos. 3.14, 3.15, 3.25, 3.26, 4.21, 4.22, 4.23, 4.24, 5.8, 6.7 and 7.8.

(Total : 11, Chapter II)

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply:

Nil.

(Total: 0, Chapter-III)

- (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted and which require reiteration :

Nil.

(Total : 0, Chapter-IV)

- (iv) Observations/Recommendations in respect of which replies of the Government are of interim in nature:

Paragraph No. 5.9.

(Total: 1, Chapter- V)

1.3 The Committee desire that Action Taken Replies on the Observations/Recommendations contained in Chapter-I and final action taken in respect of the Recommendations contained in Chapter V of this Report for which interim reply has been given by the Government may be furnished at the earliest and in any case not later than three months after the presentation of this Report.

1.4 The Committee will now deal with the replies received from the Ministry which need reiteration or merit comments.

A. Creation of a Separate Head for Skill Development Training Programme

(Recommendation, Para 3.26)

1.5 The Committee are concerned to note that most of the training programmes run by the NBCFDC under Skill Development Training Programme are being funded through internal resources (surplus) and the grants received from the Department of Social Justice and Empowerment are very limited, as a result the NBCFDC has to rely on CSR funding for these training programmes. The Committee are happy to note that during 2015-16, the Corporation has spent Rs. 15 crore to train 15,146 trainees as against the target of 12,500 assigned by the Department for the year. For this purpose, grant-in-aid of only Rs. 4.54 crore had been received by the NBCFDC from the Department, which was not sufficient to achieve the target. For the year 2016-17, the Department have set a target to train 17,500 beneficiaries for the Corporation. The

Committee are unable to understand that when the Ministry set up a target for the NBCFDC every year to train certain number of beneficiaries under the SDTP Scheme, why they do not create a separate head for SDTP and allot funds to the NBCFDC every year accordingly, depending upon the number of beneficiaries to be trained. Considering the fact that the NBCFDC is a non-profit organization, the number of training programmes run by the NBCFDC and the number of trainees all over the country, the Committee exhort the Department to create a separate head for SDTP and allocate separate Budget for SDTP every year so that the Corporation does not face resource crunch and the NBCFDC may utilize its surplus funds for extending loans to the target group specifically those entrepreneurs imparted the skill development courses.

Reply of the Government

1.6 The Department of Social Justice and Empowerment in their reply have stated:-

" From the Budget of Scheme "Assistance to Voluntary Organizations Working for the Welfare of OBCs", funds have been released to NBCFDC to meet expenses for imparting Skill Development Training to eligible OBC beneficiaries. The details of funds released to NBCFDC are as under:

Sl. No.	Financial Year	Amount in Rs.
1	2014-2015	3,72,00,000.00
2	2015-2016	4,54,58,581.00
3	2016-2017 (Till Date)	3,00,00,000.00

Further, creation of a Separate Budget Head for Skill Development Training is under examination."

1.7 The Committee note that creation of a separate Budget Head under Skill Development Training Programme (SDTP) of NBCFDC is under examination of the Ministry of Social Justice and Empowerment (Department of Social Justice and Empowerment). As NBCFDC is a non-profit organization and the target for the number of trainees/beneficiaries under SDTP Scheme is increasing year after year for the Corporation, the Committee are of the considered view that Department should create a separate Budget Head for Skill Development Training Programme of NBCFDC. The Committee would like to be apprised of the efforts made by the Department in this regard.

B. Provision of Infrastructure Development Funds for State Channelizing Agencies

(Recommendation, Para 4.23)

1.8 The Committee are constrained to note that for better and effective implementation of the NBCFDC schemes, the State Corporations could not be provided with the administrative subsidy by the Department for providing better infrastructure to the State Channelizing Agencies such as computers, laptops, vehicles etc. for field visits. The Committee feel that good infrastructure is *sine qua non* for any agency/organization, especially in the social sector where the beneficiaries are coming from underprivileged sections of the society, to deliver prompt services to the target groups. The Committee, therefore, urge upon the Department to seriously consider giving infrastructure development funds to the SCAs as has been done by the Ministry of Minority Affairs through National Minorities Development and Finance Corporation (NMDFC).

Reply of the Government

1.9 The Department of Social Justice and Empowerment in their reply have stated:-

" NBCFDC is allowing a margin of 3% of interest, recovered from beneficiaries, to SCAs to meet their expenditure. A few examples of rates charged by NBCFDC and SCAs are given below :

S.N.	Name of Scheme	Max. Loan Limit	Pattern of Finance		ROI p.a.	
					SCA	Benef.
1	Term Loan	Rs. 10 Lakh	NBCFDC	85%	Upto Rs.5 Lakh	
			SCA	10%	3%	6%
			Beneficiary	05%	Above Rs. 5 lakh & upto 10 Lakh	
					5%	8%
2	Margin Money Loan	Rs. 10 Lakh	NBCFDC	40%	Upto Rs.5 Lakh	
			SCA	05%	3%	6%

			Banks/FIs	50%	Above Rs. 5 lakh & upto Rs. 10 Lakh	
			Beneficiary	05%		
					5%	8%

Details of Rate of Interest at a Glance furnished by the Department of Social Justice and Empowerment, is as under:

Sl.No.	Name of Scheme	Max. Loan Limit	Pattern of Finance	ROI p.a.	
				SCA	Benef.
1	Term Loan	Rs.10 Lakh	NBCFDC 85% SCA 10% Beneficiary 05%	Upto Rs.5 Lakh	
				3%	6%
				Above Rs.5 Lakh & upto Rs.10 Lakh	
				5%	8%
2	Margin Money Loan	Rs.10 Lakh	NBCFDC 40% SCA 05% Bank/FIs 50% Beneficiary 05%	Upto Rs.5 Lakh	
				3%	6%
				Above Rs.5 Lakh & upto Rs.10 Lakh	
				5%	8%
3	Education Loan				
	a) In India	Rs. 10 Lakh	NBCFDC 90% SCA 05% Beneficiary 05%	1.5% *	4% **
	b) Abroad	Rs. 20 Lakh	NBCFDC 85% SCA 10% Beneficiary 05%	1.5% *	4% **
4	New Swarnima - for women	Rs. 1 Lakh	NBCFDC 95% SCA/Beneficiary 05%	2%	5%
5	Saksham	Rs.10 Lakh	NBCFDC 85% SCA 10% Beneficiary 05%	Upto Rs.5 Lakh	
				3%	6%
				Above Rs.5 Lakh & upto Rs.10 Lakh	
				5%	8%

6	Shilp Sampada	Rs.10 Lakh	NBCFDC 85% SCA 10% Beneficiary 05%	Upto Rs.5 Lakh	
				3%	6%
				Above Rs.5 Lakh & upto Rs.10 Lakh	
				5%	8%
7	Micro Finance	Rs.50,000/-	NBCFDC 90% SCA 05% Beneficiary 05%	2%	5%
8	Mahila Samriddhi Yojana for Women	Rs.50,000/-	NBCFDC 95% SCA/Beneficiary 05%	1%	4%
Sl.No.	Name of Scheme	Max. Loan Limit	Pattern of Finance	ROI p.a.	
				SCA	Benef.
9	Krishi Sampada	Rs.50,000/-	NBCFDC 95% SCA/Beneficiary 05%	1%	4%

* 0.5% rebate on timely repayment by SCA to NBCFDC
** Rate of Interest
3.5% p.a. for girl student

Utilization of loan & interest rates for unutilized funds : The SCAs are required to utilize the funds drawn from NBCFDC within 120 days of its release.

Slab-wise rate of interest :-

<u>Utilization</u> (Days)	<u>Rate of Interest</u> (p.a.)
1-120 days	3%
121-180 days	6%
* Above 180 days	8%

* The SCAs are required to refund the unutilized funds incase the funds are not utilized within 180 days of release.

1.10 The Committee note that NBCFDC is allowing a margin of 3 per cent of interest, recovered from beneficiaries to State Channelizing Agencies (SCAs) to meet their expenditure. However, the Committee were informed that SCAs were suffering from shortage of funds which is restricting them to equip themselves with better infrastructural facilities and there is no evidence that the funds as recovered from the beneficiaries, are utilized for installing or improving infrastructural facilities in the SCAs. The Committee, reiterate their earlier recommendation and desire that infrastructure development funds should be provided by the Department to the SCAs at the earliest.

C. Making e-Marketing Portals Accessible and User-Friendly for the Artisans.

(Recommendation, Para 5.8)

1.11 The Committee are of the view that the target groups, who mostly belong to artisans category, do not get value of their products due to presence of intermediaries or middlemen in the conventional market. The Committee find that to tackle this problem, the NBCFDC has taken a commendable step to introduce e-Marketing portals, although the response from the major companies in this regard is not very positive. The Committee also observe that the NBCFDC has also invited Expression of Interest (Eoi) from the e-portals who are interested in facilitating marketing of products made by the artisans of the target group, which is a good move in the right direction. The Committee desire to be apprised of the positive outcome in this matter.

Reply of the Government

1.12 The Department of Social Justice and Empowerment in their reply have stated:-

"NBCFDC had taken the step to introduce e-marketing portals with a view to reduce the presence of intermediaries or middlemen. However, results are not encouraging. NBCFDC has tried to link NBCFDC beneficiaries with several e-commerce portals. Even then, the results are not satisfactory. It was found that the process of procurement by e-marketing portals are not attractive for the small Artisans belonging to these target groups."

1.13 The Committee find that in order to eliminate the process of intermediaries or middlemen in the conventional market, NBCFDC had introduced e-Marketing portals and linked them with e-Commerce portals but its results were not satisfactory at all. Considering the fact that the beneficiaries under the scheme of NBCFDC may not be literate/aware enough to avail the facilities provided through e-Marketing or e-Commerce portals and belong to the stratum of society which is economically too backward to access the e-Marketing portals and work efficiently on them, the Committee desire the Department to direct NBCFDC to conduct training and awareness sessions for the beneficiaries at the first place, in order to enable them to be competent enough to use e-Marketing and e-Commerce portals. The Committee are quite hopeful that it would solve the very purpose of eliminating the middlemen from the conventional markets.

CHAPTER - II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

(Recommendation, Para 3.14)

2.1 The National Backward Classes Finance and Development Corporation (NBCFDC) performs its activities for the upliftment of underprivileged among Backward Classes, mainly by conducting skill development training and providing loan and financial assistance through its Term Loan and Micro Finance Schemes. The Committee note that under the Term Loan Special Schemes of the NBCFDC *i.e.*, 'Saksham' and 'Shilp Sampada', the rate of interest for loan upto Rs. 5 lakh is 6 per cent per annum and above Rs. 5 lakh and upto Rs. 10 lakh, it is 8 per cent per annum. The Committee feel, in cases where the project cost exceeds by few thousands of rupees above Rs. 5 lakh, the interest rate increases by 2 per cent and becomes 8 per cent per annum, for a person belonging to the economically Backward Classes, which appears unjustified and defeats the very purpose of helping these poor people. The Committee, therefore, recommend that the Department should seriously address this issue and consider graded interest rates. If need be, the matter may be taken to the Board of the Corporation.

Reply of the Government

2.2 The Department of Social Justice and Empowerment in their reply have stated:-

"NBCFDC has informed that Board Meeting of NBCFDC is scheduled in the month of November and the matter of charging graded interest rates under various schemes, will be proposed for consideration and adoption by the Board."

[Ministry of Social Justice and Empowerment, Department of Social Justice and Empowerment, O.M. No. F.No. 7-3/2014-DP-II, dated 13.04.2016.]

Subsequently, the Committee were informed that "after discussion, the Board took note of the observations of the Standing Committee on Social Justice and Empowerment and decided that the interest percentage be reduced by 1 per cent point to 7 per cent for loans above Rs. 5 lakhs".

(Recommendation, Para 3.15)

2.3 The Committee further note that the Corporation has also launched two schemes - (i) New Swarnima Scheme for Women, a term loan scheme for inculcating the spirit of self-reliance among the women; and (ii) Mahila Samridhi Yojana, a micro finance scheme for women entrepreneurs of the target group. The Committee find that in the States of Goa, Gujarat, Kerala, Manipur, Rajasthan and Uttar Pradesh, there were nil beneficiaries during 2015-16 under New Swarnima Scheme and under Mahila Samridhi Yojana, there were no beneficiaries in Goa and Rajasthan during 2015-16. As the above mentioned schemes are vital and meant for economic upliftment of the women of the target group, the Committee are of the considered view that the Department look into the causes of very poor or non-implementation of these schemes in the States mentioned above and accordingly chalk out and adopt a well defined strategy to implement these schemes in all the States, particularly where these schemes are yet to take off. The Committee also desire that the Department of Social Justice and Empowerment should direct the NBCFDC and State Governments to start a comprehensive awareness campaign for publicity of these two important schemes amongst women, particularly in rural areas of the country so that they get the benefit of these schemes.

Reply of the Government

1.16 With regard to Awareness Campaign for Publicity of Schemes, N.B.C.F.D.C. had introduced an "Awareness Scheme" in December, 2015, where all the State Channelising Agencies (including low performing SCAs) have been advised to hold Awareness Camps and publicize and circulate printed material, for publicizing all the schemes of the Corporation including two schemes meant for women beneficiaries. Under the said scheme, the Corporation also provides financial support to the SCAs, for meeting expenditure towards spreading awareness of the schemes. Further, M/o SJ&E, D/o SJ&E's letter No. 12013/33/2015-BC-III dated 19.10.2016, NBCFDC has been requested to consider strengthen the mechanism for promoting awareness about these two schemes namely "New Swarnima Scheme for Women" and "Mahila Samridhi Yojana".

[Ministry of Social Justice and Empowerment, Department of Social Justice and Empowerment, O.M. No. F.No. 7-3/2014-DP-II, dated 13.04.2016.]

(Recommendation, Para 3.25)

2.5 The Committee were informed that the training for upgradation of entrepreneurial skill is provided to the eligible members of Backward Classes under the Skill Development Training Programme (SDTP) Scheme. The NBCFDC is spending Rs. 8,000/- to Rs. 10,000/- per beneficiary, the duration of the training under SDTP spans from two months to six months. The Committee feel that the training of merely two months would not provide intended benefit to the beneficiaries. The Committee, therefore, desire that the period of the training under SDTP may be suitably enhanced so that a trainee, after completion of his training, actually acquires the necessary skills of the trade he is trained in. The Committee further desire that the budget of training

per beneficiary be increased proportionately. The Committee further recommend that the NBCFDC should also include Nursing Course in its training programmes and the duration of this training programme should be at par with other Government and private institutes imparting similar training.

Reply of the Government

2.6 NBCFDC follows the guidelines of the Ministry of Skill Development and Entrepreneurship, Government of India with regard to implementation of skill development training programmes. The course contents and duration is also adhered to, as per the National Skill Qualification Framework (NSQF) and common norms. The observations of the Hon'ble Committee will be forwarded to the Ministry of Skill Development and Entrepreneurship for consideration. Nursing Course is already included in the Education Loan Scheme of the NBCFDC as the duration of Nursing Course is more than 06 months.

[Ministry of Social Justice and Empowerment, Department of Social Justice and Empowerment, O.M. No. F.No. 7-3/2014-DP-II, dated 13.04.2016.]

(Recommendation, Para 3.26)

2.7 The Committee are concerned to note that most of the training programmes run by the NBCFDC under Skill Development Training Programme are being funded through internal resources (surplus) and the grants received from the Department of Social Justice and Empowerment are very limited, as a result the NBCFDC has to rely on CSR funding for these training programmes. The Committee are happy to note that during 2015-16, the Corporation has spent Rs. 15 crore to train 15,146 trainees as against the target of 12,500 assigned by the Department for the year. For this purpose, grant-in-aid of only Rs. 4.54 crore had been received by the NBCFDC from the

Department, which was not sufficient to achieve the target. For the year 2016-17, the Department have set a target to train 17,500 beneficiaries for the Corporation. The Committee are unable to understand that when the Ministry set up a target for the NBCFDC every year to train certain number of beneficiaries under the SDTP Scheme, why they do not create a separate head for SDTP and allot funds to the NBCFDC every year accordingly, depending upon the number of beneficiaries to be trained. Considering the fact that the NBCFDC is a non-profit organization, the number of training programmes run by the NBCFDC and the number of trainees all over the country, the Committee exhort the Department to create a separate head for SDTP and allocate separate Budget for SDTP every year so that the Corporation does not face resource crunch and the NBCFDC may utilize its surplus funds for extending loans to the target group specifically those entrepreneurs imparted the skill development courses.

Reply of the Government

2.8 From the Budget of Scheme “Assistance to Voluntary Organizations Working for the Welfare of OBCs”, funds have been released to NBCFDC to meet expenses for imparting Skill Development Training to eligible OBC beneficiaries. The details of funds released to NBCFDC are as under:

Sl. No.	Financial Year	Amount in Rs.
1	2014-2015	3,72,00,000.00
2	2015-2016	4,54,58,581.00
3	2016-2017 (Till Date)	3,00,00,000.00

Further, creation of a Separate Budget Head for Skill Development Training is under examination.

[Ministry of Social Justice and Empowerment, Department of Social Justice and Empowerment, O.M. No. F.No. 7-3/2014-DP-II, dated 13.04.2016.]

Comments of the Committee

(Please see Para No. 1.7 of Chapter-I)

(Recommendation, Para 4.21)

2.9 The Committee are dismayed to note that on one hand, income and caste certificates are essential for availing loans disbursed under the NBCFDC schemes by the SCAs of the respective State Governments while on the other hand, there are inordinate delays by the State Governments in issuing income and caste certificates to the beneficiaries, which lead to delay in disbursement of loans to the eligible beneficiaries. As income and caste certificates are mandatory for availing loans under schemes of the NBCFDC, the Committee urge upon the Department to vigorously pursue the State Governments to issue these certificates promptly, that too in a defined time period, to the deserving and eligible candidates.

Reply of the Government

2.10 The matter of issuance of Caste Certificates and Income Certificates to target group without any delay is being taken up by the NBCFDC with the State Governments through respective State Channelising Agencies (SCAs). Besides this, Ministry of Social Justice & Empowerment, Department of Social Justice & Empowerment vide letter No. 12013/33/2015-BC-III dated 19.10.2016 has also requested Chief Secretaries of all the State Governments to give appropriate directions to the concerned authorities issuing Caste Certificates/Income Certificates in a time bound manner so that the

beneficiaries should not face difficulty in availing benefits under the various Schemes/Programmes of NBCFDC for OBCs.

[Ministry of Social Justice and Empowerment, Department of Social Justice and Empowerment, O.M. No. F.No. 7-3/2014-DP-II, dated 13.04.2016.]

(Recommendation, Para 4.22)

2.11 The Committee note that due to either non-payment of overdues by the SCAs or non-availability of Government Guarantee from the State Governments, some populous States such as Uttar Pradesh, Bihar, Madhya Pradesh, Rajasthan and Maharashtra, with significant OBC population are receiving limited funds and the financing of beneficiaries of target group is put on hold. Taking into cognizance the fact that non-payment of overdues by the SCAs is adversely affecting financing of the target group, the Committee impress upon the Department to identify and tie up at the earliest with the alternative channels in all the States where Government Guarantee is awaited and due to which significant OBC population is receiving limited funds. Besides Uttar Pradesh, Bihar, Madhya Pradesh, Rajasthan and Maharashtra, there are other States like Andhra Pradesh, Gujarat, Odisha, West Bengal, etc. where alternate arrangements are required to be made by the Corporation to channelize its funds. Considering the fact that there is no uniform system adopted by SCAs for repayment of loan by the beneficiaries, the Committee recommend that the Department should take up the matter with the State Governments at the highest level where there are overdues, to set up a streamlined mechanism for repayment of loan by the beneficiaries in these States.

Reply of the Government

2.12 Taking into cognizance the fact that non-payment of overdues by the SCAs is adversely affecting financing of the target group, letters have been written by NBCFDC and also Ministry of Social Justice and Empowerment to the State Governments for repayment of overdues at the earliest including, where applicable, by utilization of One Time Settlement (OTS) scheme of NBCFDC. Further, to ensure coverage of beneficiaries, the NBCFDC has signed Memorandum of Understanding (MoU) with various Regional Rural Banks (RRBs)/Public Sector Banks (PSBs) to channelize the funds in their respective areas.

[Ministry of Social Justice and Empowerment, Department of Social Justice and Empowerment, O.M. No. F.No. 7-3/2014-DP-II, dated 13.04.2016.]

(Recommendation, Para 4.23)

2.13 The Committee are constrained to note that for better and effective implementation of the NBCFDC schemes, the State Corporations could not be provided with the administrative subsidy by the Department for providing better infrastructure to the State Channelizing Agencies such as computers, laptops, vehicles etc. for field visits. The Committee feel that good infrastructure is *sine qua non* for any agency/organization, especially in the social sector where the beneficiaries are coming from underprivileged sections of the society, to deliver prompt services to the target groups. The Committee, therefore, urge upon the Department to seriously consider giving infrastructure development funds to the SCAs as has been done by the Ministry of Minority Affairs through National Minorities Development and Finance Corporation (NMDFC).

Reply of the Government

2.14 NBCFDC is allowing a margin of 3% of interest, recovered from beneficiaries, to SCAs to meet their expenditure. A few examples of rates charged by NBCFDC and SCAs are given below :

S.N.	Name of Scheme	Max. Loan Limit	Pattern of Finance		ROI p.a.	
					SCA	Benef.
1	Term Loan	Rs. 10 Lakh	NBCFDC	85%	Upto Rs.5 Lakh	
			SCA	10%	3%	6%
			Beneficiary	05%	Above Rs. 5 lakh & upto 10 Lakh	
					5%	8%
2	Margin Money Loan	Rs. 10 Lakh	NBCFDC	40%	Upto Rs.5 Lakh	
			SCA	05%	3%	6%
			Banks/FIs	50%	Above Rs. 5 lakh & upto Rs. 10 Lakh	
			Beneficiary	05%		
					5%	8%

Details of Rate of Interest at a Glance is annexed herewith as below:

Sl.No.	Name of Scheme	Max. Loan Limit	Pattern of Finance	ROI p.a.	
				SCA	Benef.
1	Term Loan	Rs.10 Lakh	NBCFDC 85% SCA 10% Beneficiary 05%	Upto Rs.5 Lakh	
				3%	6%
				Above Rs.5 Lakh & upto Rs.10 Lakh	
				5%	8%
2	Margin Money Loan	Rs.10 Lakh	NBCFDC 40% SCA 05% Bank/FIs 50% Beneficiary 05%	Upto Rs.5 Lakh	
				3%	6%
				Above Rs.5 Lakh & upto Rs.10 Lakh	
				5%	8%

3	Education Loan				
	a) In India	Rs. 10 Lakh	NBCFDC 90% SCA 05% Beneficiary 05%	1.5% *	4% **
	b) Abroad	Rs. 20 Lakh	NBCFDC 85% SCA 10% Beneficiary 05%	1.5% *	4% **
4	New Swarnima - for women	Rs. 1 Lakh	NBCFDC 95% SCA/Beneficiary 05%	2%	5%
5	Saksham	Rs.10 Lakh	NBCFDC 85% SCA 10% Beneficiary 05%	Upto Rs.5 Lakh	
				3%	6%
				Above Rs.5 Lakh & upto Rs.10 Lakh	
				5%	8%
6	Shilp Sampada	Rs.10 Lakh	NBCFDC 85% SCA 10% Beneficiary 05%	Upto Rs.5 Lakh	
				3%	6%
				Above Rs.5 Lakh & upto Rs.10 Lakh	
				5%	8%
7	Micro Finance	Rs.50,000/-	NBCFDC 90% SCA 05% Beneficiary 05%	2%	5%
8	Mahila Samriddhi Yojana for Women	Rs.50,000/-	NBCFDC 95% SCA/Beneficiary 05%	1%	4%
Sl.No.	Name of Scheme	Max. Loan Limit	Pattern of Finance	ROI p.a.	
				SCA	Benef.
9	Krishi Sampada	Rs.50,000/-	NBCFDC 95% SCA/Beneficiary 05%	1%	4%

* 0.5% rebate on timely repayment

by SCA to NBCFDC

** Rate of Interest

3.5% p.a. for girl

student

Utilization of loan & interest rates for unutilized funds : The SCAs are required to utilize the funds drawn from NBCFDC within 120 days of its release.

Slab-wise rate of interest :-

<u>Utilization</u> (Days)	<u>Rate of</u> <u>Interest</u> (p.a.)
1-120 days	3%
121-180 days	6%
* Above 180 days	8%

* The SCAs are required to refund the unutilized funds incase the funds are not utilized within 180 days of release.

[Ministry of Social Justice and Empowerment, Department of Social Justice and Empowerment, O.M. No. F.No. 7-3/2014-DP-II, dated 13.04.2016.]

Comments of the Committee

(Please see Para No. 1.10 of Chapter-I)

(Recommendation, Para 4.24)

2.15 The Committee note that total outstanding amount from SCAs is Rs.200.74 crore as on 30.06.2016. The Committee also note that in order to expedite repayment of outstanding dues, the State Governments have been requested by the NBCFDC to advise the SCAs to take benefit of One Time Settlement Scheme of the Corporation in which the loan installments are rescheduled on the request of SCAs. The Committee are happy to find that Assam, Gujarat, Sikkim and Uttar Pradesh have opted for this One Time Settlement Scheme and got their loans rescheduled. The Committee desire that the Department should direct the NBCFDC that if One Time Settlement Scheme is working in few States, the Corporation should pursue the same with the rest of non-performing States too to reschedule their loans and consequently repay their respective

dues. The Committee would like to know the latest position and outcome too of such a move in this regard.

Reply of the Government

2.16 NBCFDC has launched "One Time Settlement Scheme (OTS)" in May,2016 to enable defaulting State Channelising Agencies (SCAs) to settle their overdues. This scheme has been circulated to all the SCAs and the concerned State Governments including Assam, Gujarat and Uttar Pradesh. Sikkim has opted for re-schedulement. During 2015-16, the Corporation has issued in principle sanction to the SCAs/States of Punjab and West Bengal under the OTS scheme and other SCAs are being pursued.

[Ministry of Social Justice and Empowerment, Department of Social Justice and Empowerment, O.M. No. F.No. 7-3/2014-DP-II, dated 13.04.2016.]

(Recommendation, Para 5.8)

2.17 The Committee are of the view that the target groups, who mostly belong to artisans category, do not get value of their products due to presence of intermediaries or middlemen in the conventional market. The Committee find that to tackle this problem, the NBCFDC has taken a commendable step to introduce e-Marketing portals, although the response from the major companies in this regard is not very positive. The Committee also observe that the NBCFDC has also invited Expression of Interest (EoI) from the e-portals who are interested in facilitating marketing of products made by the artisans of the target group, which is a good move in the right direction. The Committee desire to be apprised of the positive outcome in this matter.

Reply of the Government

2.18 NBCFDC had taken the step to introduce e-marketing portals with a view to reduce the presence of intermediaries or middlemen. However, results are not encouraging. NBCFDC has tried to link NBCFDC beneficiaries with several e-commerce portals. Even then, the results are not satisfactory. It was found that the process of procurement by e-marketing portals are not attractive for the small Artisans belonging to these target groups.

[Ministry of Social Justice and Empowerment, Department of Social Justice and Empowerment, O.M. No. F.No. 7-3/2014-DP-II, dated 13.04.2016.]

Comments of the Committee

(Please see Para No. 1.13 of Chapter-I)

(Recommendation, Para 6.7)

2.19 The Committee note that the Corporation has conducted number of evaluation studies to assess the effectiveness/impact of the implementation of the NBCFDC Schemes on the target groups. These evaluation studies are conducted in almost all the States where substantial amount has been disbursed. The Committee observe that the NBCFDC was set up with a vision to play a leading role in upliftment of economic status of the target group of Backward Classes. The Committee are dismayed to note that in their surveys as well as evaluation studies, the Corporation has nowhere mentioned the number of beneficiaries who have taken loan and risen from double the poverty line and are earning well in their lives after availing loans or undergoing skill training. The Committee also note that according to the study conducted during 2012-13 to know the impact on the beneficiaries, 87 per cent of the beneficiaries created assets after availing the benefits of the schemes under the NBCFDC. The Committee are unhappy to note that evaluation studies conducted during 2013-14 and 2014-15 did

not show the percentage/number of beneficiaries who have created assets. The Committee recommend that the Department should direct the NBCFDC to conduct a specific study on the socio-economic impact of the schemes of the NBCFDC on target group and to know the number of persons, who have been actually economically uplifted and risen above double the poverty line of the schemes of the Corporation in all the States.

Reply of the Government

2.20 Outcome of the evaluation studies conducted during the year 2013-14 and 2014-15 with the details of percentage/number of beneficiaries who have created assets are appended at Annexure - B. The NBCFDC has conducted socio-economic impact study in two districts. The outcome with respect to increase in income level is at Annexure-C.

[Ministry of Social Justice and Empowerment, Department of Social Justice and Empowerment, O.M. No. F.No. 7-3/2014-DP-II, dated 13.04.2016.]

(Recommendation, Para 7.8)

2.21 Linkages with educational institutes in the view of the Committee, is a welcome initiative by the NBCFDC. The Committee, however, would like to be apprised of the details regarding MoUs signed with various IITs, IIMs etc. for utilizing their infrastructure and knowledge for specialized Skill Development.

Reply of the Government

2.22 NBCFDC has signed MoU with IITs and IIMs with the following objectives:

- a) To promote interaction and usage of Incubation Centres of these Institutes in mutually beneficial areas related to Entrepreneurship and Skill Development for the Backward Classes.

b) To provide a formal basis for initiation/interaction between these premier Institutes NBCFDC.

To promote and facilitate Entrepreneurship and skill development among Backward Classes in collaboration with these IIMs and IITs.

[Ministry of Social Justice and Empowerment, Department of Social Justice and Empowerment, O.M. No. F.No. 7-3/2014-DP-II, dated 13.04.2016.]

CHAPTER – III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES OF THE GOVERNMENT

- NIL -

CHAPTER – IV

**OBSERVATIONS/RECOMMENDATIONS WHICH HAVE
BEEN ACCEPTED BY THE GOVERNMENT**

- NIL -

CHAPTER –V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE INTERIM IN NATURE

(Recommendation, Para 5.9)

5.1 The Committee note that for the beneficiaries who have been imparted Skill Development Training Programme (SDTP), software has been developed which would act as a Job Portal for the skilled beneficiaries under SDTP. The Committee are glad to note this laudable step of the Department. The Committee, however, desire to be apprised of the number of beneficiaries whose details have been uploaded on this Job Portal in the first quarter of the financial year 2016-17.

Reply of the Government

5.2 Job Portal introduced by NBCFDC is in nascent stage. Uploading of the trainees will commence after completion of Training Programmes sanctioned during current financial year are completed.

[Ministry of Social Justice and Empowerment, Department of Social Justice and Empowerment, O.M. No. F.No. 7-3/2014-DP-II, dated 13.04.2016.]

NEW DELHI;

April, 2017

Chaitra, 1939 (Saka)

RAMESH BAIS
Chairperson,
Standing Committee on
Social Justice and
Empowerment

MINUTES OF THE THIRTEENTH SITTING OF THE STANDING COMMITTEE ON SOCIAL JUSTICE AND EMPOWERMENT HELD ON FRIDAY, 7th APRIL, 2017

The Committee met from 1000 hrs. to 1045 hrs. in Chairperson's Chamber, Room No. 113, First Floor, Block-B, Parliament House Annexe Extension Building, New Delhi.

PRESENT

SHRI RAMESH BAIS - CHAIRPERSON

MEMBERS

LOK SABHA

2. Shri Kantilal Bhuria
3. Shri Santokh Singh Chaudhary
4. Shri Jhina Hikaka
5. Shri Sadashiv Lokhande
6. Prof. Seetaram Azmeera Naik

RAJYA SABHA

7. Smt. Jharna Das Baidya
8. Shri Ahamed Hassan
9. Smt. Sarojini Hembram
10. Smt. Wansuk Syiem
11. Smt. Chhaya Verma

LOK SABHA SECRETARIAT

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

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

APPENDIX

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE FORTY-SECOND REPORT OF THE STANDING COMMITTEE ON SOCIAL JUSTICE AND EMPOWERMENT (SIXTEENTH LOK SABHA)

	Total	Percentage
I. Total number of Recommendations	12	
II. Observations/Recommendations which have been accepted by the Government: (Paragraph Nos. 3.14, 3.15, 3.25, 3.26, 4.21, 4.22, 4.23, 4.24, 5.8, 6.7 and 7.8)	11	91.7
III. Observations/Recommendations which the Committee do not desire to pursue in view of the replies: -Nil-	0	0
IV. Observations/Recommendations in respect of which replies of the Government have not been accepted: - Nil -	0	0
V. Observations/Recommendations in respect of which replies of the Government are interim in nature: (Paragraph No. 5.9)	1	8.3