

**GOVERNMENT OF INDIA
MINORITY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2391

ANSWERED ON:11.03.2015

NATIONAL MINORITY DEVELOPMENT AND FINANCE CORPORATION

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Will the Minister of MINORITY AFFAIRS be pleased to state:

- (a) whether the Government proposes to enhance the authorized capital of the National Minorities Development and Finance Corporation (NMDFC);
- (b) if so, the details thereof and the changes in shareholding pattern to be involved, if any, in this regard along with the benefits likely to accrue as a result of these proposals implementations;
- (c) the funds sanctioned/allotted to the NMDFC during each of the last three years and current year, State-wise;
- (d) the funds lying unutilized with NMDFC along with the reasons therefor during the above period, State-wise; and
- (e) the other steps taken by the Government to strengthen NMDFC?

Answer

MINISTER OF STATE IN THE MINISTRY OF MINORITY AFFAIRS (SHRI MUKHTAR ABBAS NAQVI)

(a) The Central Government on 10.02.2015 has increased the Authorized Share Capital of National Minorities Development and Finance Corporation (NMDFC) from Rs.1500.00 crore to Rs.3000.00 crore.

(b) The details of changes in Share Holding Pattern of NMDFC are as given below:

Share holder Share Holding Pattern of NMDFC
Earlier Changed to

Central Government	65%	73%
State Government./	26%	26%
UT Administrations		
Individuals/	9%	1%
Institutions		

With increase in Authorized Share Capital and revised shareholding pattern of NMDFC, the Central Government is in position to contribute its share capital to the NMDFC and the NMDFC will be able to implement its schemes as per annual plans more effectively and efficiently.

(c) Funds are released by the Ministry to NMDFC as Central Equity share for further disbursement to minority beneficiaries through State Channelizing Agencies (SCAs) nominated by the State Governments. The details of budgetary allocation made by the Central Government for NMDFC during last three years and current financial year, and the funds released, are given below:

(Rs. In Crore)
Year Budgetary Actual

Allocation Contribution
for Central in equity of
Equity NMDFC by
Contribution Ministry.
to NMDFC

2011-12	115.00	115.00
2012-13	120.00	99.64
2013-14	120.00	0.00
2014-15	120.00	0.00
(up to	(upto	
28.02.	28.02.2015)	
2015)		

(d) NMDFC utilizes the funds through SCAs as per the annual planskeeping in view the availability of funds.

(e) In order to strengthen the functioning of NMDFC, the following steps have been taken:

1) NMDFC implements its lending schemes through State Channelizing Agencies (SCAs) nominated by respective State Governments/ UT Administrations.

2) Ministry implements a performance based scheme for Grants-in-Aid to State Channelizing Agencies (SCAs) through NMDFC for strengthening their infrastructure and operations.

3) NMDFC has also been directed to examine the possibility of tie-ups with banks as alternative channels to enhance outreach.

4) NMDFC has also raised the annual family income eligibility criterion up to Rs.6.00 lakh per annum to enhance outreach. Moreover, the quantum of loan amount under Term Loans, Micro Finance and Educational Loan have also been increased. Quantum of loan under Term Loan scheme has been increased from Rs.10.00 lakh to Rs.30.00 lakh while under Micro-Finance scheme, it has been increased from Rs.50,000/- to Rs.1.50 lakh per member of a Self Help Group. Under Education Loan scheme, the quantum of loan has been increased from Rs.5.00 lakh to Rs.20.00 lakh for domestic courses and from Rs.10.00 lakh to Rs.30.00 lakh for courses abroad.

5) NMDFC has established Maulana Azad National Academy for Skills (MANAS) in November 2014, for development of entrepreneurship and occupational skills among minorities, with credit linkages.

6) A Regional office of NMDFC has also been opened at Chennai to expand the outreach.