

COMMITTEE ON THE WELFARE OF  
SCHEDULED CASTES AND  
SCHEDULED TRIBES  
(1992-93)

• • •

TENTH LOK SABHA

## EIGHTEENTH REPORT

*[Signature]*  
30-K-93  
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MINISTRY OF WELFARE

ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS  
CONTAINED IN THE SEVENTH REPORT (TENTH LOK SABHA)  
OF THE COMMITTEE ON THE WELFARE OF SCHEDULED  
CASTES AND SCHEDULED TRIBES ON THE MINISTRY OF  
WELFARE - NATIONAL SCHEDULED CASTES AND SCHEDULED  
TRIBES FINANCE AND DEVELOPMENT CORPORATION.

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Presented to Lok Sabha on 30 APR 1993

Laid in Rajya Sabha on \_\_\_\_\_

LOK SABHA SECRETARIAT  
NEW DELHI

March 1992/Chaitra 1914(S)

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## INTRODUCTION

I, the Chairman, Committee on the Welfare of Scheduled Castes and Scheduled Tribes having been authorised by the Committee to submit the Report on thier behalf, present this Eighteenth Report (Tenth Lok Sabha) on Action Taken by Government on the recommendations contained in the 7th Report (Tenth Lok Sabha) on the Ministry of Welfare - National Scheduled Castes and Scheduled Tribes Finance and Development Corporation.

The Draft Report was considered and adopted by the Committee on 19th March, 1993.

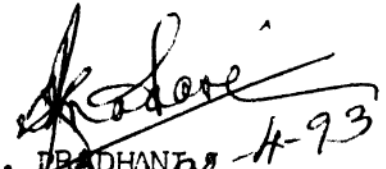
The Report has been divided into the following Chapters:-

- (i) Recommendations/observations which have been accepted by Government.
- (ii) Recommendations/observations which the Committee do not desire to pursue in view of Government's replies.

An analysis of the Action Taken by Government on the recommendations contained in the Seventh Report of the Committee be given in Appendix. It would be observed therefrom that out of the 14 recommendations made in the Report, 6 recommendations i.e. about 43% have been accepted by the Government and the Committee do not desire to pursue the other 8 recommendations i.e. about 57% in view of the replies of the Government.

New Delhi

March, 1993  
Chaitra 1914(S)

  
K. PRADHAM  
Chairman

Committee on the Welfare  
of Scheduled Castes and  
Scheduled Tribes.

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~~ANNEXURE~~

CHAPTER - I

REPORT

1.1 This Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes deals with the action taken by Government on the recommendations contained in their Seventh Report (10th Lok Sabha) on the Ministry of Welfare - Working of National Scheduled Caste and Scheduled Tribe Finance and Development Corporation.

1.2 The Seventh Report was presented to Lok Sabha on 27.4. 1992. It contained 14 recommendations. Replies of the Government in respect of these recommendations have been examined and may be categorised as under :-

- i) Recommendations/observations which have been accepted by Government (Sl.Nos.4, 6, 7, 9, 10 and 14).
- ii) Recommendations/observations which the Committee do not desire to pursue in the light of the recommendations received from the Government (Sl.Nos.1, 2, 3, 5, 8, 11, 12 and 13).
- iii) Recommendations/Observations replies to which have not been accepted by the Committee. (Sl.No. -Nil-).
- iv) Recommendations/Observations in respect of which final replies of Government have not been received (Sl.No.-Nil-).

## CHAPTER II

Recommendations/observations which  
have been accepted by the Government

Recommendations  
(Sl.No.2 para 14)

(SR No-4)

The Committee also find that the schemes sanctioned by the Corporation cover agriculture, minor irrigation, horticulture, animal husbandry, transport, trade, services, etc. They are of the view that there is need for further diversification and a large number of economically viable schemes covering a wide range of activities, which have high relevance and potential for economic development having low gestation period and requiring moderate capital investment should be identified and assisted by the Corporation.

REPLY OF NSFDC /GOVT.  
(Sl.No.2 para 14)

The Corporation has sanctioned schemes in diversified fields depending on the viability of the schemes in different parts of the country. While sanctioning various schemes, it is ensured that the gestation period is minimum so that quick returns of employment and income can be provided to SCs/STs.

Apart from schemes mentioned in the Report, the Corporation has sanctioned number of economically viable schemes covering wide range of activities including stone crushing units, weaving articles,

**Recommendations**  
**(Sl.No .2 para 36A)**

(52)

The Committee find that State SCDCs are allowed to give loans upto Rs.35,000/- in individual cases to the persons who are below the poverty line and in case any individual or group of individuals want loans above Rs.35,000/- from State SCDCs, they have to seek permission of the Ministry of Welfare and such permission "would normally be given" by the Ministry.

Taking into consideration the cost escalation of schemes/projects and to obviate delays in getting the loan sanctioned for a sum exceeding Rs.35,000/- by following this cumbersome procedure, the Committee would like the Ministry of Welfare to review the position afresh and streamline the procedure so that State SCDCs are authorised to sanction loan amount as per requirement of the schemes sanctioned by SCDCs.

**Reply of NSFDC/Govt.**  
**(Sl.No.2 para 36A)**

The unit cost of projects which can be taken up by SCDCs is being further amended from the present limit of Rs.35,000. The Ministry is in the process of bringing about modification that SCDCs can take up projects upto Rs.5.00 lakhs and projects beyond Rs.5 lakhs alone will be sent to NSFDC for sanction.

The Committee were informed that one of the reasons for slow disbursement of funds was that some of the State Governments like Assam, West Bengal and Gujarat have not given guarantee for the loans sanctioned by the Corporation. The Corporation had been insisting the Government Guarantee considering the fact that the beneficiaries are not required to give any other security apart from the asset that is created and the performance of the SCDC in respect of recovery of their margin money has not been satisfactory. Since the Corporation has limited funds and the same has to be recycled over time to cover more and more beneficiaries, the timely recovery of loan and interest is essential.

The Committee were informed by the CMD during evidence that he was in touch with the State Governments who had not yet given guarantee and was hopeful that they would give the required guarantee as they were giving similar guarantee for the funds they get from NABARD, HUDCO and REC. The Committee desire that the matter should be actively pursued by the Corporation to get the required guarantees from the State Governments and to complete other formalities so that the Scheduled Caste/Scheduled Tribe beneficiaries throughout the country are able to get assistance from the Corporation.

REPLY OF NSFDC/GOVT.

(Sl.No.2 para 42)

The Corporation has secured government guarantee from most of the states where any scheme has been sanctioned. Government guarantees totalling Rs.136.00 crores from different States were received till end March, 1992. West Bengal has furnished guarantee and efforts are being made to get guarantee from Assam and Gujarat. At present, lack of government guarantee is no longer a constraint for disbursement of funds. However, the issue of provision of guarantees by SCDCs where State Governments are not forthcoming with guarantees is also being examined.

Recommendations (Sl.No.9)  
(Sl.No.3 para 7)

The Committee are extremely unhappy over the delay in the setting up of the Techno Economic Division and desire that the establishment should be expedited. The division should not only quickly evaluate the technical soundness and economic viability of the schemes received from State agencies but should help the State Corporations in project preparations. It should by itself prepare innovative schemes which could be assisted by the Corporation to bridge the gaps in the programmes of State level agencies. A shelf of such projects for different communities and different

areas should be maintained by the Corporations. The State level agencies working for SC/STs and individual entrepreneurs need to be encouraged to take up these schemes for implementation. The Corporation should also help them by providing besides financial assistance technical and entrepreneurial guidance for implementation of these schemes. Further, in States where agencies for SC/STs are not existing, the matter should be taken up with the State Governments concerned, including visits by senior officers of the Corporation to identify such agencies for taking up the projects prepared and considered by the Corporation to be most suited for those areas.

REPLY OF NSFDC /GOVT.  
(Sl.No.3 para 7)

A large part of the work of the techno-economic division is being done by the Projects Department which is being strengthened with some more technical experts. It may be mentioned that out of 46 officers in the Corporation 12 officers are technically and financially competent to evaluate the schemes. The Corporation is not only evaluating schemes received from States but also guiding States to formulate relevant schemes depending on the circumstances in the respective States. The project reports and appraisal notes prepared for different schemes are available in the Corporation and the expertise is shared with other States in formulating schemes depending on the circumstances in respective States. The officers of the Corporation are visiting different States to pursue the State Governments and State-level agencies to take up technically feasible and financially viable schemes for the welfare of SCs/STs in respective States.



The Committee find that one of the objectives of the Corporation was to provide and upgrade the technical knowledge and skill of SC/ST by providing educational and training facilities. They have been informed that since 1989 only 36 Training Courses have been conducted and the total number of SCs/STs given training in different fields under these training programmes is 2765. The Committee cannot help observing that this figure is too small taking into consideration the total population of SCs/STs spread all

over India. They, therefore, recommend that more attention should be paid to organise more training programmes and to impart training to a large number of SCs/STs to enable them to undertake income generating economic activities. These training programmes should be conducted throughout the country instead of being confined to a few institutions in some of the States only. They desire that at least one training institute should be identified in each State and U.T. and relevant job oriented courses be conducted in diverse fields to fulfill the job requirements of SCs and STs of that area.

REPLY OF NSFDC /GOVT.  
(Sl.No.3 para 11)

The Corporation is in existence for the last 3 years only and in the first two years it was involved in creation of infrastructure for the Corporation. The training programmes are being organised in consultation with State-level SC/ST Corporations. NSFDC is pursuing all the State-level Corporations to provide training programmes to SC/ST beneficiaries in their respective states in the field which suits them most.

To begin with training programmes were organised in and around Delhi so that the programmes could be monitored properly. But now the training programmes have been sanctioned in Himachal Pradesh, Madhya Pradesh, Delhi, Punjab Chandigarh, West Bengal, Gujarat, Assam Karnataka, Uttar Pradesh, Bihar, Maharashtra, Haryana, Tamil Nadu, Rajasthan and Orissa states. The Corporation has trained 4198 SC/ST beneficiaries through 56 training programmes up to 31st March, 1992 in the entire country and the Corporation has committed/spent Rs.44.2 lakhs for the same.

The Corporation is formulating number of job oriented training programmes for the beneficiaries in the rural and urban areas of the country. All State-level SC/ST Corporations have been requested vide our

letter No.NSFDC/MPD/TRG/28/91 dated 23rd December, 1991 to take up training programmes in the States to upgrade the technical knowledge and skill of SCs/STs. Training programmes in collaboration with KVIC, NIESBUD, NISIET, NIRD and SIRD are being organised to utilize their expertise in the respective fields for the benefit of SCs/STs. The Corporation has organised training programmes in various fields including computer, carpentry, plumbing, radio/TV repairing, driving, shorthand, typing, etc.

RECOMMENDATION

SL No- 14

The Committee also recommend that proper training should be given to the field staff of SCDCs and other agencies involved in the socio-economic development of SCs and STs for effective checking, evaluation and monitoring of the schemes sanctioned by these agencies and NSFDC.

REPLY OF NSFDC / GOVT.

Two training programmes have already been organised by the Corporation for the field staff of SCDCs and other agencies to upgrade their knowledge and skill in monitoring the schemes. More training

programmes will be organised for the field staff of SCDCs at an appropriate time keeping in view the requirements of such training programmes.

### CHAPTER-III

Recommendations/observations which the Committee do not desire to pursue in view of the Government replies.

#### Recommendations

(Sl.No.1 para 13)

(Sl No. 1)

The Committee note with concern that despite the provision for appointment of 4 Scheduled Caste and 3 Scheduled Tribe non-official Directors on the Board of Directors of National Scheduled Castes and Scheduled Tribes Finance and Development Corporation not even a single SC or ST director has been appointed on the Board even after 3 years of the setting up of the Corporation. No specific reason has been given to the Committee for the failure to appoint any Scheduled Caste/Scheduled Tribe on the Board, except stating that the matter regarding appointment of non-official Scheduled Caste/Scheduled Tribe Directors on the Board "remained under the consideration of the Government from time to time and they are hopeful to nominate the non-official members on the Board shortly." The Secretary, Ministry of Welfare was also not prepared to give a time limit by which these non-official Scheduled Caste/Scheduled Tribe Directors would be appointed. The Committee regret this indifferent attitude of the Government and recommend that immediate steps should be taken to appoint Scheduled Caste and Scheduled Tribe Directors on the Board of NSFDC as provided in the Articles of Association.

#### REPLY OF NSFDC /GOVT.

(Sl.No.1 para 13)

From February, 1989 to May/June, 1991 the Board consisted of 3 members out of which one was Scheduled Caste and one was Scheduled Tribe. The first Managing Director of NSFDC was a Scheduled Tribe. In May 1991, Shri B.R. Basu, IAS joined as Chairman and Managing Director and the Board consisted of four members including CMD, Development Commissioner, Small Scale Industries; Financial Adviser, Ministry of Welfare; and Managing Director, AFC.

2. The first Board of Directors was indicated in the Articles of Association of the Corporation under Article 55. The Board of Directors mentioned in the Articles was approved by the Cabinet at the time of approval of the Memorandum and Articles of the Company.

3. As per Regulation 56(3) of the Articles of Association the Board is to be re-constituted after every 3 years. The new Board of Directors under Constitution will include 3 non-official members belonging to the Scheduled Castes and 2 belonging to the Scheduled Tribes. Necessary proposals have been sent for approval.

**Recommendations**  
**(Sl.No.2 para 5)**

(Sl No-2)

The Committee are unable to understand how NSFDC could claim that it has achieved all its objectives. Scheduled Castes/ Scheduled Tribes population in the country is somewhere near 220 million and NSFDC has few branches and skeleton staff upto now spread all over India. Submission of the Secretary (Welfare) that "training Scheduled Caste/ Scheduled Tribe persons with technical and educational background" will enable them to become entrepreneurs will prove hypothetical, unless the training programme is tied with a specific scheme applied for by SC/ST beneficiaries and sanctioned by NSFDC. The Committee observe that the State level electronics Corporation or Consultancy Organisations will not be able to provide requisite entrepreneurial assistance to SC/ST beneficiaries provided the training is linked with the schemes sanctioned.

In the opinion of the Committee the very purpose to lend support to State SC/ST Corporations to fill critical gaps would be defeated, if it fails to provide technical knowhow and other assistance which may be sought by the SC/ST entrepreneurs. The Committee,

therefore, recommend that NSFDC should develop its own technical professional skill capable of providing technical and entrepreneurial guidance to the needy Scheduled Castes/ Scheduled Tribes.

**Reply of NSFDC/ Govt.  
(Sl.No.2 para 5)**

The training programmes and entrepreneurial development programmes are being tied up with the State-level SC/ST Corporations and other similar Corporations, consultancy organisations available in the States. NSFDC is also preparing schemes to identify SC/ST students in the engineering colleges throughout the country. Students would be identified for an intensive entrepreneurial development training programme during the vacation period in the third year of Engineering. The project they would like to select also would be identified along with the banker, so that they can prepare their own project report and be ready with the report and bank finance by the time they pass out of the college.

Recommendation:  
(Sl.No.2 para 11)

(SL No 3)

The Committee find that the approach paper prepared by the Corporation in June, 1989 provided that the Corporation should take up setting up of mother industries or incubator industries or conjunctional activities which will make a large number of self-employed persons capable of earning a better income in a more steady manner. They regret to note that no action has been taken by the Corporation in this direction so far. The Committee recommend that the Corporation should run pilot projects on priority basis to catalyse the process of development and economic growth of the members of SCs/STs. The Committee hope that Government will issue necessary guidelines in this regard.

REPLY OF NSFDC /GOVT.  
(Sl.No.2 para 13)

The approach paper approved by the Board in June, 1989 was based on the discussions held with the representatives of various financial institutions and government departments. The approach paper spells broad guidelines only for implementation of the projects.

In the Approach Paper approved by the Board, it has been provided under point III(3) that the "Corporation should not set up any industrial or agricultural or marketing activity itself. It should remain in the background as a financier, promoter or developer and let other agencies operate separately." Keeping in view the basics of the above guideline the Corporation has not set up and do not intend to set up any unit on its own.

(Contd.)

NSFDC do not intend to set up pilot projects or mother industries or incubator industries or conjunctional activities, etc. on departmental basis as such activities usually end up being a drain on scarce resources. The promotional and developmental activities are already being implemented by State Governments under the programmes/schemes of planned investment through State-level SC/ST Corporations and other State-level Corporations e.g. leather development, handicrafts, etc. The setting up of pilot projects etc. is not feasible on account of

many practical hurdles. The main objective of the Corporation is to support viable economic activities so that SCs/STs can create some fixed assets and maintain their family and pay back the dues of the Corporation.

The objective is to generate maximum employment and income for SCs/STs with minimum investment per beneficiary. As on 31st March, 1992 the investment per beneficiary comes to Rs.16,000 from institutional investment and Rs.9,000 as NSFDC share for the schemes sanctioned by NSFDC. NSFDC is endeavouring to provide benefit to maximum number of beneficiaries by taking up projects which involve lesser investment and are able to provide employment and generate income quickly.



The Committee note that the main function of the Corporation at present is provision of financial assistance (loan seed capital and grant) to SCs/STs having income upto twice the below poverty line income by channelising funds through State level SC/ST Corporations and other agencies for implementing technically feasible and economically viable schemes for income and employment generating schemes/projects. As on 31-12-1991 the Corporation has sanctioned Rs.20.08 crores as financial assistance. The number of beneficiaries likely to be covered on completion of the schemes on the basis of sanctions till 31-12-1991 was 114004 SCs and 10734 STs.

The Committee regret to note that there has been delay in disbursement of funds by the Corporation. The amount of funds disbursed upto 31st December, 1991 to various States for SC/ST beneficiaries under various schemes was Rs.20.08 crores which was only 36 percent of the amount sanctioned and 6.6 percent of the total costs of the scheme. The delay in disbursement of funds even after issue of sanction ranged from 2 to 16 months. The number of beneficiaries on the basis of disbursement was only 28405 or 23% of the estimated beneficiaries for the sanctioned schemes.

The Committee are also extremely unhappy to note that the sanctioning of the schemes and disbursement of funds is confined to only a few states and not a single scheme has been sanctioned in States like UP, Orissa, Meghalaya, Mizoram, Nagaland, Arunachal Pradesh and Rajasthan which have a large number of SC/ST population. The Corporation has in all approved 143 schemes for assistance and only 97 individual entrepreneurs of either community have been given assistance. This can hardly be considered as satisfactory considering the total number of SCSTs in the country. The Committee desire that the reasons for this highly unsatisfactory position in regard to the sanctioning of schemes and disbursement of funds should be gone into thoroughly and immediate remedial measures taken to streamline the procedure to ensure that the SCST beneficiaries throughout the country get the benefit of setting up of the Corporation and are able to get the timely assistance from the Corporation for their economic development. There should be one window service scheme so that the needy SC/STs are not required to run from pillar to post to get the required assistance. They would also emphasise the need for having close consultation with other financing and funding agencies so that the appraisal carried out by one agency is acceptable to others to avoid cost and time involved in appraisal by different

*agency.*

REPLY OF NSFDC /GOVT.  
(Sl.No.2 para 36)

As on 31st March, 1992, the Corporation has sanctioned 193 schemes costing Rs.22653 lakhs in which the commitment of NSFDC is Rs.12503 lakhs benefitting 1,30,440 beneficiaries. The Corporation has sanctioned various schemes in almost all the States/Union Territories. In the States of U.P., Orissa, Mizoram, Nagaland and Rajasthan also the schemes have been sanctioned by NSFDC.

As a new organisation, the Corporation had to finalise formats of agreements to be executed between NSFDC and State-level agencies and the agreement for government guarantee to be taken up for the said purpose. *There was delay in securing govt. guarantee from the state but now the same is not a trouble in the disbursement of funds*

The funds are disbursed for various schemes depending on the progress made in implementation of the schemes by the beneficiaries and State-level SC/ST Corporations. For all Financial Institutions and Banks, there is always a gap between the timings of sanctions and disbursements and the funds are disbursed after completion of necessary formalities. Generally, before disbursements by NSFDC, the beneficiaries' contribution and the channelising agencies' contribution are invested in the assets to be created for

setting up the unit. The disbursements from NSFDC take place only when the scheme is under implementation. In the implementation schedule also it is provided that some time will be taken by the implementing agency/channelising agency to implement the scheme. The funds are disbursed by NSFDC during the implementation stage depending on the requirement of funds for completion of the scheme.

The disbursement of 36% of the amount sanctioned is more than sufficient as most of the schemes to be implemented are spread over a period of 3 to 4 years and in one of the schemes sanctioned for Andhra Pradesh, the implementation period is over 10 years. The disbursements are linked with the implementation of the schemes.

The period of gap between sanction and disbursements varies from scheme to scheme depending on the implementation schedule and the requirement of funds from other agencies including beneficiaries and State-level SC/ST Corporations.

It is not correct to say that no scheme has been sanctioned in U.P., Orissa, Meghalaya, Mizoram, Nagaland, Arunachal Pradesh and Rajasthan. A number of schemes in the States of U.P., Orissa and Mizoram were sanctioned long

back and the schemes for states of Nagaland and Rajasthan have also been sanctioned recently. The Corporation has sanctioned 193 schemes up to 31st March, 1992. A number of these schemes provide for vehicles to SCs and STs and they are to be treated as entrepreneurs also. The total number of individual entrepreneurs including owners of vehicles comes to 36542 for 97 schemes sanctioned to individual entrepreneurs up to 31st March, 1992.

Quite a few individual entrepreneur schemes have been received by the Corporation which are to be promoted by individual SCs/STs but the Corporation is unable to sanction most of the schemes as individual entrepreneurs are mainly above the double poverty line income level which is the main criteria for sanction of schemes by NSFDC.

There is a system of one window service in the sense that the funds are disbursed by State Channelising agency for both NSFDC and State-level SC/ST Corporation. The beneficiaries are not required to visit offices of NSFDC.

The joint appraisal is also done depending on the involvement of bank or other financing agency. For example, in case of scheme of stone crushers in the State of Bihar the appraisal was done by NSFDC in consultation with Punjab National Bank.

Recommendations (Sl.No.3 para 6) (Sl No 8)

The Committee regret to note that the activities of the Corporation have been mainly confined to sanctioning of schemes received from State level agencies and to provide funds for these schemes. The main objective of the setting up of the Corporation was however to identify the gaps existing in the programmes of the various agencies working for SC/STs as also new areas and new types of activities which could help the SC/ST communities and prepare schemes to be assisted by the Corporation. It is distressing to find that though the approach paper prepared by the Corporation as far back as in June, 1989 provided for the setting up of a Techno-economic investigation

Division for this purpose, this has not yet come up. The approach paper also provided that till such time as the above Division is fully operative, professional organisations including AFC (SC Cell) might be engaged in conducting studies to identify gaps and suggesting schemes. Nothing substantial seems to have been done by the Corporation even in this direction. The Corporation was thus at present evaluating the proposals from the State SCDCs mainly from the financial angle and whenever there were some problems, the State/Central Governments were being consulted. During evidence the CMD of the Corporation admitted that absence of Techno Economic Division was one of the drawbacks he had noticed and action had been initiated recently to have some technical experts in the Corporation.

REPLY OF NSFDC /GOVT.

(Sl.No.3 para 6)

The main objective of the NSFDC is to identify and promote economic activities by members of SC/ST. Towards this objective, NSFDC sanctions schemes sent by State SCDCs and other channelising agencies and releases funds for implementation of these schemes. The sanctioning of schemes by the Corporation is of paramount importance as without sanction of schemes it will not be possible for the Corporation to generate employment and income for the poor beneficiaries. The Schemes sanctioned are technically and financially evaluated so that the schemes are successful and are able to achieve generation of employment and income for the beneficiaries.

The Project Department in the Corporation is doing the work of techno economic division and the same is being strengthened with some more technically qualified personnel. As on date 12 officers out of 46 officers in the Corporation are qualified in the field of engineering, finance, etc.

AFC (SC Cell), a private organisation, had been associated in the monitoring of State-level Corporations by the Ministry of Welfare who has discontinued its association with AFC due to unsatisfactory performance. The Corporation has no intention of associating AFC (SC Cell) in any matter of the Corporation and utilise their services.

(2) The Committee note that the Corporation has a paid up capital of only Rs.50 crores. With the expansion of its activities, it expects to disburse about Rs.40 crores during 1991. As regards additional requirement of funds the Secretary of the Ministry of Welfare assured the Committee, the Government would ensure that the Corporation is provided what ever money was required by it to fulfil its obligations. The Chairman-cum-Managing Director of NSFDC, however, apprehended that from

next year onwards the share capital contribution from the Ministry might not be adequate and they might have to go for market borrowings. As per its draft Eighth Five Year Plan, the Corporation besides increasing its share capital upto 370 crores propose to raise market loans upto 700 crores by 1996-97. The Committee hope that in case the Corporation is not in a position to raise the required loan from market borrowing at reasonable rate of interest, its paid-up capital would be increased further by Government so that the Corporation does not suffer from any shortage of funds for disbursement to the needy SC/ST beneficiaries.

REPLY OF NSFDC/GOVT.  
(SI No.4 para 5)

CMD, NSFDC has given a commitment before the Committee to disburse about Rs.40.00 crores during 1991-92. This particular target has been achieved. The cumulative disbursements as on 31st March, 1992 are of the order of Rs.47.01 crores as against Rs.6.56 crores in the first two years operations ending 31.3.91. The Corporation had, as on 31.3.92, sanctioned 193 schemes with project outlay

of Rs.226.54 crores and Corporation's commitments amount to Rs.125.02 crores. 130440 members of SC/ST will be benefitted on completion of these schemes.

In view of the latest market conditions the Corporation has not been able to make any headway with reference to market borrowings. Government however, have agreed to increase the share capital of the Corporation from Rs.75 crores to Rs.125 crores.

**Recommendations**  
(Sl.No.4 para 12)

(Sl. No. 12)

The Committee note that the Corporation provides refinances and term loan to the extent of 75% and also seed capital assistance wherever essential. The interest on term loan is charged @ 4.5% per annum from the primary lending organisations while the ultimate beneficiaries have to pay not more than 6% interest per annum. The seed capital assistance is provided free of interest at a nominal service charge of 1% per annum. However, the subsidy attached to various schemes comes from the Government of India, Department of Rural Development and is routed through State

Government District Rural Development Agencies and is disbursed mainly through district administration for the purpose of exercising better checks, administrative convenience and to avoid wasteful expenditure. The Committee desire that Government should devise ways and means to link subsidy to NSFDC financing also so as to attract large number of SC/ST beneficiaries towards NSFDC schemes. In this connection, the Corporation has also suggested that a fixed percentage of profits of the RBI may be passed on to NSFDC to create special subsidy reserve fund as is being done by RBI in case of NABARD. The Committee desire that the proposal may be examined soon and the outcome intimated to them.

**REPLY OF NSFDC /GOVT.**

(Sl.No.4 para 12)

The subsidy is being given by State-level SC/ST Corporations in various schemes. The Schemes sanctioned by NSFDC are also linked with the subsidy given by the State Governments for various schemes. Upto 31st March, 1992, the Corporation has sanctioned 80 schemes in which the subsidy has been provided by the State Government/State-level SC/ST Corporation.

The proposal to transfer a fixed percentage of profits of the RBI to NSFDC to create special subsidy reserve as is being done in case of NABARD was taken up with Government at Welfare Minister's level.

It is now understood that the scheme of transfer of the profit of RBI for ~~Concessional~~ Rate of Interest lending has been scrapped. Such profits of the RBI are credited to Government funds.

The Committee find that apart from making available additional funds for viable schemes to benefit SCs/STs the Corporation was required to monitor the work of the State Corporations. They regret to note that even after three years of the setting up of the Corporation, its contribution in this regard has not been significant. It is stated to have taken up only recently the monitoring and evaluation of the working of the Delhi SC Finance and Development Corporation. As stated by the Secretary of the Ministry during evidence the Government have 49% share capital in all the SCDCs and therefore they are vitally interested that they function well. The Committee, therefore, desire that the Corporation should take up this work in right earnest, and corrective measures taken wherever any defects are noticed, so that the quality of work of these SCDCs is upgraded.

REPLY OF NSFDC /GOVT.

(Sl.No.5 para 9)

The Corporation has taken up the monitoring work of State-level SC/ST Corporations after receipt of communication from the Ministry of Welfare. A proforma has been formulated to obtain relevant information from the State-level SC/ST Corporations. After receipt of information from various State-level SC/ST Corporations the Corporation will be able to analyse the information received from different States. On the basis of such analysis the Corporation will be able to suggest ways and means to SCDCs to improve their workings with the objective to pass on the maximum benefit to the deserving SCs/STs in all the States.

An amount of Rs.24.65 lakhs was sanctioned by the Ministry of Welfare and was later withdrawn as cost of monitoring of State-level SC/ST Corporations. As the Corporation has not received any grants from the Ministry of Welfare so far, the cost of monitoring State-level SC/ST Corporations will have to be borne by the Ministry as per earlier practice.

#### CHAPTER - IV

Recommendations/observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration.



CHAPTER - V

Recommendations/observations in respect of  
which final replies of Government have not  
been received.

NEW DELHI

April . 1993  
Vaisakha , 1915(S)

*K. Pradhani*  
K. PRADHANI  
Chairman  
Committee on the Welfare of  
Scheduled Castes and  
Scheduled Tribes  
30-4-93

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## APPENDIX

(vide para 4 of the Introduction)

Analysis of the Action Taken by the Government  
on the recommendations contained in the Seventh  
Report of the Committee.

|    |   |           |
|----|---|-----------|
| 1. | Total Number of recommendations   | 14        |
| 2. | Recommendation which have been accepted by<br>the Government (vide recommendation at<br>Sl. Nos. 4, 6, 7, 9, 10 and 14)   |           |
|    | Number .....  | 6         |
|    | Percentage to Total .....   | about 43% |
| 3. | Recommendations which the Committee do not<br>desire to pursue in view of the Government<br>replies (vide recommendations Sl. Nos. 1, 2,<br>3, 5, 8, 11, 12 and 13) |           |
|    | Number .....  | 8         |
|    | Percentage to Total .....   | about 57% |
| 4. | Recommendation in respect of which final<br>reply of Government have not been accepted<br>by the Committee and which require reiteration....                        | NIL       |
| 5. | Recommendation in respect of which final reply<br>has not been received .....   | NIL       |