25

STANDING COMMITTEE ON SOCIAL JUSTICE AND EMPOWERMENT (2025-26)

(EIGHTEENTH LOK SABHA)

MINISTRY OF SOCIAL JUSTICE & EMPOWERMENT (DEPARTMENT OF SOCIAL JUSTICE AND EMPOWERMENT)

REVIEW OF THE FUNCTIONING OF THE NATIONAL SCHEDULED CASTES FINANCE AND DEVELOPMENT CORPORATION (NSFDC)

TWENTY FIFTH REPORT

LOK SABHA SECRETARIAT
NEW DELHI

August, 2026/ Sravana, 1948 (Saka)

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Presented to Lok Sabha on 12.8.2026

Laid in Rajya Sabha on 12.8.2026

LOK SABHA SECRETARIAT
NEW DELHI

August, 2025/ Sravana, 1948 (Saka)

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SHRI P.C. MOHAN - CHAIRPERSON

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2. Shri E. T. Mohammed Basheer
3. Shri Bhaskar Murlidhar Bhagare
4. Smt. Vijaylakshmi Devi
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LOK SABHA SECRETARIAT

1.	Smt. Juby Amar	-	Joint Secretary
2.	Shri Krishendra Kumar	-	Deputy Secretary
3.	Dr Visakh R Pillai	-	Committee Officer

INTRODUCTION

I, the Chairperson, Standing Committee on Social Justice and Empowerment (2025-26) having been authorized by the Committee, do present on their behalf this Twenty Fifth Report on 'Review of the functioning of the National Scheduled Castes Finance and Development Corporation (NSFDC)' pertaining to the Ministry of Social Justice and Empowerment.

2. The Committee selected the subject 'Review of the functioning of the National Scheduled Castes Finance and Development Corporation (NSFDC)' for detailed examination during the year 2024-25 and 2025-26. Briefing by the representatives of the Department of Social Justice and Empowerment and NSFDC on this subject, was held on 09 September, 2025. The Report was considered and adopted by the Committee at their Sitting held on 10 August, 2026. The Minutes of the Sittings of the Committee are appended to the Report.

3. The Committee wish to express their gratitude to the officers of the Department of Social Justice and Empowerment and National Scheduled Castes Finance and Development Corporation (NSFDC) for appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the subject. They would also like to place on record their appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

4. For ease of reference, the Observations and Recommendations of the Committee have been printed in bold in the body of the Report.

New Delhi
10th August, 2026
19 Sravana, 1948 (Saka)

SHRI P.C MOHAN
Chairperson Standing Committee on Social Justice and Empowerment

CHAPTER-I

INTRODUCTION

The National Scheduled Castes Finance and Development Corporation was bifurcated from National Scheduled Castes & Scheduled Tribes Finance and Development Corporation on 10.04.2001. Consequent upon its bifurcation, the Corporation exclusively caters to the needs of Scheduled Caste target group. It is a Company 'not for profit' under Section-25 of the Companies Act, 1956 (now, under Section-8 of the Companies Act, 2013). The Authorized Share Capital of the Corporation is Rs.1800.00 crore and as on 31.03.2026 paid up capital was Rs.1515.00 crore.

1.2 The vision of the Corporation is to be the leading catalyst in systematic reduction of poverty through socio-economic development of eligible Scheduled Castes, working in an efficient, responsive and collaborative manner with channelizing agencies and other development partners. The mission of the Corporation is to promote prosperity among Scheduled Castes by improving flow of financial assistance and through skill development & other innovative initiatives.

1.3 The main objectives of the Corporation are:

(i) Identification of trades & other economic activities of importance to Scheduled Castes population;

(ii) Up-gradation of skills & processes used by persons belonging to Scheduled Castes;

(iii) Promotion of small, cottage & village industries;

(iv) Financing of pilot programmes for upliftment and economic welfare of persons belonging to Scheduled Castes;

(v) Improvement in flow of financial assistance to persons belonging to Scheduled Castes for their economic well-being;

(vi) Assistance to target group in setting up their projects by way of project preparation, training and financial assistance;

(vii) Extending loans to eligible students belonging to Scheduled Castes for pursuing full-time professional and technical courses in India and abroad; and

(viii) Extending loans to eligible youth to enhance their skill & employability by pursuing vocational education & training courses in India

1.4 Corporation implements various schemes through a network of 38 States/UT Channelizing Agencies (SCAs) spread across the country that are nominated by respective State Governments/UT Administrations. In addition, the Corporation has also established alternate channels for implementation of schemes through Public Sector Banks (PSBs), Regional Rural Banks (RRBs), Non-Banking Financial Company-Micro Finance Institutions (NBFC-MFIs) and other Institutions. Corporation has 66 (after amalgamation of PSBs & RRBs) alternate Channelizing Agencies (CAs). At the beginning of each financial year, the Corporation notionally allocates funds to the SCAs, in proportion to the Scheduled Castes population of the Country represented by the representative State/UTs.

1.5 The eligibility criteria of applicants for coverage under Corporation's schemes are as under:

(i) Applicants should belong to the Scheduled Caste community.

(ii) Annual family income of the applicants should be within Rs.5.00 lakh (for both rural and urban areas w.e.f. 07.01.2026) under Credit Based Schemes.

1.6 The Annual Family Income Criterion is not applicable for skill development training programmes. The funds under skill development training programmes are provided as per the norms of Ministry of Skill Development and Entrepreneurship, Government of India. Corporation gives importance to adequate coverage of women beneficiaries under its schemes. Consequent upon the recommendation of Task Force on Convergence and Coordination of Government Programmes / Schemes for Educational, Economic and Social Empowerment of Scheduled Castes and OBC women, the Corporation has devised norms to cover 40% women beneficiaries both in financial and physical terms under its schemes.

1.7 The Corporation has various Credit Based & Non-Credit Based Schemes for providing financial and other assistance to the beneficiaries.

(i) The various Credit-Based schemes are:

(a) Micro Credit Finance;

(b) Term Loan

(c) Educational Loan Scheme;

(d) Aajeevika Microfinance Yojana; and

(e) Udyam Nidhi Yojana.

(ii) Non-Credit Based Schemes are

(a) Skill Development Training Programmes;

(b) Marketing Support to Beneficiaries;

(c) Free Stalls to Beneficiaries at Exhibitions/Fairs;

(d) Marketing Training to Beneficiaries; and

(e) Awareness Camps

1.8 The Committee examined the implementation of the Schemes of NSFDC and its performance during previous years. The issues discussed have been dealt in the succeeding chapters.

CHAPTER-II

MANAGEMENT

The Board of Directors is the apex Body constituted for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness and ensures that shareholders' long-term interests are being served. NSFDC consists of 15 Board of Directors i.e. one functional Director, 10 Official Directors and 4 Non-official Directors representing various Ministries/Departments/Organisations such as Ministries of Social Justice & Empowerment, Finance, Small & Medium Enterprises, Banks, State Channelising Agencies, etc. Presently, NSFDC Board of Directors consists of 6 Official Directors including one functional Director.

2.2 On being asked about the reasons with regard to the vacancies in the Board of Directors of NSFDC and its impact on the functioning of the Organisation along with the efforts being made to fill these vacancies, the Committee were *inter-alia* informed *vide* written reply that:

> "The existing vacancies on the Board have arisen either due to the expiry of the tenure of the previous Directors or on account of the transfer of the incumbents from the positions by virtue of which they were appointed as Directors. The members of the Board of Directors are appointed/nominated by the Government, i.e., the Administrative Ministry. The proposal for filling up the existing vacancies is presently under consideration of the Ministry of Social Justice & Empowerment. Under the provisions of the Companies Act, 2013, decisions in a Board Meeting are taken by a 'majority' of the members present. In the case of NSFDC, decisions are generally approved unanimously by all members present. As per the Act, the presence of a prescribed 'quorum' is essential for holding a valid Board Meeting. It is hereby confirmed that proper quorum was present during each meeting of the Corporation's Board. Accordingly, the existing vacancies have not affected the functioning of the Corporation."

2.3 On being enquired about the compliance of Department of Public Enterprises (DPE) guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) guidelines with regard to the Board meetings in 2023-24, 2024-25 and 2025-26, the Committee were *inter-alia* informed *vide* written reply that:

> "in the Annual Report of NSFDC 2023-24, the Certificate on Corporate Governance state that the Company has complied with the conditions of Corporate Governance as stipulated in DPE Guidelines. However, it has been observed that the time gap between the 2nd and 3rd Board Meeting exceeded three months-time gap. In case of Audit Committee also it has been observed that during F.Y. 2023-24, the Audit Committee has met 3 times during the last 12 months i.e. 30.05.2023, 25.08.2023 and 18.12.2023 instead of four times. Further in 2024-25 the Certificate on Corporate Governance states that the

Company has complied with the conditions of Corporate Governance as stipulated in DPE Guidelines, except the following:

(i) As per DPE Guidelines, the Board shall meet at least once in every three months and the time gap between any two meetings shall not be more than three months. On perusal of the records of the Company we observed that the Board has met 3 times during the financial year 2024-25 i.e. 06.05.2024, 22.07.2024, 31.01.2025 and the time gap between second and third Board Meetings exceeds 3(three) months.

(ii) As per DPE Guidelines, the Audit Committee shall meet at least four times during the last 12 months and also not more than four months shall elapse between two meetings. On perusal of the records of the Company we observed that the Audit Committee has met 3 times during the last 12 months i.e. 06.05.2024, 22.07.2024 and 31.01.2025 and the time gap between second and third Audit Committee meeting exceeds 4(four) months.

NSFDC is working to ensure compliance with DPE Guidelines on Corporate Governance during 2025-26."

2.4 NSFDC is headed by a Chairman-cum-Managing Director who is assisted by two Chief General Managers, General Managers and a team of Senior Executives. The Corporation has four Liaison Centres to coordinate with the respective State/UT Channelising Agencies and other Channel Partners and monitor implementation of various Schemes in the respective States/UTs. As per the information provided in the NSFDC Annual Report (2023-24), the total strength of the employees in the Corporation is 70. There were 25 vacant posts in the Corporation on 31 March, 2026 and have further increased to 27 on 28 July, 2026.

2.5 During the Course of deliberation, the Committee were informed with regard to the vacancies in Board of Directors and the employees managing the Corporation by a representative of NSFDC that:

"हमारी कार्पोरेशन का मैनेजमेंट बोर्ड ऑफ डायरेक्टर्स के द्वारा देखा जाता है। हमारे बोर्ड में कुल 15 डायरेक्टर्स का प्रावधान है, जिनमें से 06 ऑफिशियल डायरेक्टर्स हैं, 9 नॉन ऑफिशियल डायरेक्टर्स हैं और 1 फुल टाइम फंक्शनल चेयरमैन एंड मैनेजिंग डायरेक्टर का पद है। The Board takes all the policy decisions for NSFDC and routine business is managed by CMD with the powers which have been delegated to him by the Board. हमारी कार्पोरेशन छोटी कार्पोरेशन है, जिसमें कुल 74 अधिकारी हैं और 21 पद रिक्त हैं। इसीलिए हम अपनी क्रेडिट लैंडिग स्पेशल चैनेलाइज़िग एजेंसीज़ और दूसरी चैनेलाइज़िग एजेंसीज़ के थ्रू करते हैं। इसके लिए हमने देश में काफी बड़ा नेटवर्क स्थापित किया है। We have an active network of 38 State-channelizing agencies and 53 other channelizing agencies which are spread across India."

2.6 The Committee observe that the apex body of the Board of Directors consisting of 15 members constituted to oversee functioning of NSFDC has 9 vacancies in the Board. The Committee also noted that the members of the Board of Directors are drawn from various Ministries/Departments/Organizations such as Ministries of Social Justice and Empowerment, Finance, Small and Medium Enterprises, Banks, State Channelizing Agencies etc. The Committee strongly opine that the purpose to constitute Board is certainly defeated if more than 50 percent positions in the Board are vacant as these Members are drawn from different Ministries/Departments/Organizations and will undoubtedly contribute more effectively. The justification of the Department of Social Justice and Empowerment that the existing vacancies do not affect the functioning of the Corporation is incomprehensible. If the vacant positions are not affecting the functioning of the Corporation, then Committee do not see any logic of constituting 15 Members Board of Directors. The Committee are of the firm view that there should not be any vacancy in the Board as it may adversely affect the functioning of the Corporation. The Committee would have appreciated if appropriate measures had been taken by the Department of Social Justice and Empowerment to ensure that there is no vacancy in the Board instead of justifying vacancies in the Board. The Committee, therefore, recommend that the action to fill up the vacancies in the Board of Directors may be immediately taken by the Department of Social Justice and Empowerment without any further delay for the better management of the Corporation. The Committee would also desire that appropriate measures are taken well in advance before any vacancy arises in the Board. The Committee expect positive and expeditious action in this regard.

2.7 The Committee note that the meeting of the Board of Directors and Audit Committee are not being held in the Corporation in compliance with the provisions contained in the Department of Public Enterprises guidelines on Corporate Governance for Central Centre Enterprises. The meetings of Board of Directors and Audit Committee are supposed to be held every 3 months. But only 3 meetings were held in the Financial Year 2024-25. Similarly, the Board of Directors and Audit Committee did not meet even once in 2023-24 as stipulated

in the guidelines. The Committee strongly believe that the laid down provisions should be strictly followed without any deviation as it may help in the functioning and decision making of an organization. The Committee would, therefore, like Corporation to strictly comply with the provisions contained in Department of Public Enterprises guidelines on Corporate Governance. The Committee recommend that Corporation should take suitable action to ensure that the meetings of the Board of Directors and Audit Committee are held every year as stipulated in the Department of Public Enterprises guidelines.

2.8 The Committee find that the day-to-day functioning of the Corporation is managed by the Chief General Manager, General Manager and a Team of Senior Executives. The Corporation has 4 Liaison centers to liaise with States/ UTs, State Channelizing Agencies and Channelizing partners in the respective States/ UTs. The Committee however find that out of the sanctioned strength of 70 officials in the Corporation 21 positions were vacant on 31 March, 2026 and the vacancies have further increased to 27 as on 28 July, 2026. The Committee are of the opinion that the organization particularly dealing with the people welfare cannot function efficiently and may fail in achieving the objectives unless it is adequately staffed. The Committee also feel that the 4 liaison centers are not sufficient to liaise with 38 States/UTs State Channelizing Agencies and 53 other channelizing agencies and to monitor the implementation of schemes of NSFDC.

The Committee, therefore, recommend the Department of Social Justice and Empowerment to strengthen the Corporation by filling up the vacant positions at the earliest and also to conduct a work study by any reputed human resources organization to assess the requirement of officials and staffs for the effective management of the affairs of the Corporation to achieve the objectives of the Corporation. The Committee would also like to recommend to establish more Liaison Centers in the country so that they have sufficient set up to effectively monitor the implementation of Schemes State/UTs Channelizing Agencies and Channelizing partners widely spread across the Country. The Committee would like the Department of Social Justice and Empowerment and the Corporation to take necessary measures to complete the exercise in a time bound manner.

CHAPTER-III

SHARE CAPITAL

The Authorised Share Capital in FY 2023-24 is Rs.1800 crore against which paid-up capital is Rs.1515 crore. The Authorised Share Capital at the time of setting up of NSFDC in 1989 was Rs.75 crore and has been revised (increased) five times by the Government of India in the last 37 years. Year-wise revision of authorized share capital and receipt of paid-up share capital from the Government is as follows:

Year	Amount (Rs. In crore)	%age enhancement
At the time of setting up	75.00	-
11.01.1993	125.00	67%
27.01.1995	300.00	140%
03.08.1998	1000.00	233%
09.02.2016	1500.00	50%
02.02.2024	1800.00	20%

3.2 As per the information furnished by the Department of Social Justice and Empowerment, the paid-up share capital since 1920-21 is as follows:

Sl No	Year	Equity Received (Rs. In crore)	Paid-up Capital (Rs. In Crore)	Funds Disbursed (Rs. In crore)	Beneficiaries covered
1	2019-20	14.6	1637	681.50	83970
2	2020-21	0	1637	681.50	94002
3	2021-22	0	1637	572.01	76219
4	2022-23	0	1637	635.95	83988
5	2023-24	15.0	1652	714.45	85372
6	2024-25	0	1652	611.78	41750
7	2025-26	0	1652	775.26	59002

3.3 On being enquired about the reason for revision of equity, the Committee were informed *vide* written reply by the Department of Social Justice and Empowerment that;

> "reason for revision of equity was to strengthen NSFDC's financial base and to increase capital base for concessional lending to eligible SC borrowers. The enhancement in equity has enabled NSFDC to achieve cumulative disbursement of Rs.9978.91 crore covering 17.28 lakh SC beneficiaries since its inception. The disbursement has been made against the cumulative equity

support of Rs.1515.00 crores which is 6.58 times of the equity received. This has been possible due to recycling of funds and effective funds management."

3.4 On being asked about whether the current authorized and paid-up capital is sufficient to achieve the objectives of the Corporation and the efforts made to increase equity infusion from the Government, the Committee were *inter-alia* informed vide written reply that:

"The current authorized and paid-up capital of NSFDC provides a reasonable financial base for its operations. There is a felt need to enhance it further to adequately cover significant proportion of eligible beneficiaries in the country. To meet the increasing demand for concessional finance and to expand the coverage of beneficiaries, additional equity infusion from the Government is required to further strengthen the Corporation's lending and operational capacity. A proposal for additional equity infusion to bridge the present gap between authorized and paid-up equity capital is presently under consideration of the Government."

3.5 During the course of deliberation, a representative of the NSFDC in its justification for increase in the Capital submitted before the Committee that:

"Our portfolio earns an average annual lending rate of 3.1 per cent per annum. Its growth is very little. So, unless we get equity from the Central Government, we may not grow. We are a not-for-profit company. We do not return anything to the Government. Whatever we get, we get in the form of an equity participation. Unless we get more of equity infusion, our asset size increase only by three per cent. We are not able to actually meet even the inflation which runs about at a rate of four or four and a half per cent.

3.6 He further stated that:

"ये हमारे पास एक लिमिटेशन है, जिसमें हमें इक्विटी इंफ्यूजन की निरंतर आवश्यकता रहती है। हमें चूंकि पिछले कुछ वर्षों से इक्विटी इंफ्यूजन नहीं मिला है तो हमारा जो वार्षिक लोन डिस्बर्समेंट है, वह स्टैगनेट कर गया है।"

3.7 On being enquired during the deliberations from the Secretray, Department of Social Justice and Empowerment about the reasons due to which share Capital was not given in 2024-25 and 2025-26, he informed the Committee that:

"इनका टोटल पेडअप कैपिटल लगभग 1800 करोड़ रुपये के आसपास है, जिसमें 1500 करोड़ रुपये दे चुके हैं। यह वह विवरण है कि पिछले दो सालों में हमने भारत सरकार की तरफ से इनको कोई पैसा नहीं दिया है।"

3.8 The Committee note that the authorized share capital was Rs. 75 Crore at the time of Setting up of NSFDC in 1989 and since then the Authorized share capital of NSFDC has been revised 5 times to Rs. 1800 crore in financial year 2023-24 to strengthen financial base and to increase capital base for concessional landing to eligible SC borrowers. The Committee find that revision percentage has considerably gone down from 140% in 1995 and 233% in 1998 to 50% in 2016 and 20% in 2024. The Committee are unable to comprehend the reasons due to which revision percentage has gone down considerably particularly when the large capital base provides loans to more beneficiaries. The Committee find no reason due to which authorized share capital should not increase, like Department the Committee are also of the opinion that there is a need to enhance it further to adequately cover significant proportion of eligible beneficiaries in the country. The Committee would, therefore, like the Department of Social Justice and Empowerment to periodically revise the authorized share capital to enable NSFDC so that large number of eligible people can get loan to meet their needs. The Committee would like to recommend the Department to establish a mechanism for automatic revision of authorized share capital at regular interval in the interest of the beneficiaries.

3.9 The Committee find that the equity of Rs. 14.6 crore was infused in 2019-20 and Rs.15 crore in 2023-24 and no equity has been infused between 2019-20 and 2023-24 and after 2023-24 by the Government and the proposal is under consideration for the infusion of equity. The Committee are unable to understand the reasons due to which equity has not been infused during these years and the Committee strongly feel that the equity should have been infused after the authorized share capital was enhanced in 2024 from Rs.1500 crore to Rs.1800 Crore as it enhances the capital base for concessional landing to eligible SC borrowers. The Committee are also in agreement with the view of NSFDC that due to non-regular inclusion of equity the disbursement of loan NSFDC has remained stagnant and an additional equity infusion from the Government is required to further strengthen the Corporation's lending and operational capacity to meet the increasing demand for concessional finance and to expand the coverage of beneficiaries. In view of the considerable fall in number of Beneficiaries in 2024-25 and 2025-26 in comparison to the period

between 2019-20 to 2023-24, the Committee are of the opinion that had NSFDC received equity from the Government during these years the number of beneficiaries could have been much more in 2024-25 and 2025-26. Since, NSFDC is a non-profit making company and their asset size increase only by three percent, hence they may not be able to actually meet even the inflation, which runs about at a rate of four or four and a half per cent, un-less they get more of equity infusion. The Committee would like the Department of Social Justice and Empowerment to take necessary steps for early disbursal of the equity and also to ensure that the equity is received by NSFDC every year without any gap as it increases the financial base of the Corporation to meet the objectives of NSFDC. The Committee would like to be informed of the action taken by the Department of Social Justice and Empowerment in this regard at the action taken stage.

CHAPTER-IV

STATE CHANNELIZING AGENCIES AND CHANNELISING AGENCIES

NSFDC provides financial assistance at concessional interest rates for income generating activities of its target group through its State Channelizing Agencies (SCAs) nominated by the respective State Government and Union Territory Administration. At the beginning of each financial year, NSFDC notionally allocates its available funds to its SCAs in proportion to the Scheduled Caste population represented by the respective State/UT Administration with respect to country's Scheduled Castes population. Presently, NSFDC functions through 38 SCAs. Some States such as Andhra Pradesh, Maharashtra, Kerala, Gujarat, Manipur, Mizoram and Uttar Pradesh have more than one SCA.

4.2 In order to expand outreach, NSFDC is also signing Agreements with Public Sector Banks, Regional Rural Banks, Cooperative Bank and other Organizations. Presently, NSFDC has 53 Channelizing Agencies (CAs) in the alternate channel that includes Public Sector Banks, Regional Rural Banks, NBFC-MFIs, SIDBI and Cooperative Banks/Society & others.

4.3 On being asked about the guidelines to be followed by State Channelizing agencies for allocation of funds, the Committee were *inter-alia* informed vide written reply that:

> "The funds are allocated keeping in mind the social and sectoral priorities also. The SCAs are required to endeavour to achieve social & sectoral priorities in accordance with the percentages listed below:
>
> **SOCIAL PRIORITIES**
>
> (i) Educated unemployed/underemployed: 50%
> (ii) Women: 40%
> (iii) Others: 10%
>
> **SECTORAL PRIORITIES**
>
> (i) Agriculture & Allied: 50%
> (ii) Service: 40%
> (iii) Industry: 10%

4.4 On being asked about the rationale behind the increase in number of Channelizing Agencies from 17 in 2016 to 53 at present, the Committee were *inter-alia* informed vide written reply that:

> "NSFDC was facing operational challenges in some States where SCAs are underperforming/non-performing or where the State Governments have not appointed any State Channelizing Agencies (SCAs). In such cases, arrangements have been entered into with Regional Rural Banks, Public Sector Banks and other Financial Institutions as alternative channel partners to ensure continuity in implementation and to expand the outreach of NSFDC schemes."

4.5 In this context, Secretary, Department of Social Justice and Empowerment informed the Committee that:

> "हमारी जो एस.सी.एज़. हैं, जो लगभग 14 राज्यों में काम नहीं कर रही हैं, उसके विभिन्न कारण हैं कि वे बहुत अच्छे से काम नहीं कर पा रही हैं। ऐसे क्षेत्रों में भी चूंकि हमारे बेनिफिशियरीज़ रहते हैं तो उन तक हमें पहुंचना है। उसके लिए हमने वैकल्पिक चैनल्स विकसित किया है। We are also availing services of cooperative societies and cooperative banks."

4.6 NSFDC has taken the following measures to improve the performance of SCAs:

"(i) Senior level meetings of NSFDC officers are held with State Governments and officials of the SCAs.

(ii) The outstanding issues pertaining to the SCAs are discussed in the national/regional level consultation meet or workshops.

(iii) In case of non-performance of SCAs, due to overdues/irregular repayment of dues, intervention of State Government is sought through meetings and communications to the concerned Secretary/Principal Secretary of the State Government."

4.7 On being asked about the issues regarding appointment of State Channelizing Agencies by States has been resolved, the Committee were *inter-alia* informed vide written reply that:

> "State Channelizing Agencies (SCAs) for implementation of NSFDC schemes have been appointed by all the States/UTs having SC population as per Census 2011, except Telangana & Ladakh. NSFDC is pursuing with the State Government of Telangana and Administration of Ladakh for appointment of State Channelizing Agency."

4.8 On being asked about the sectors and areas covered by Banks and NBFCs-MFIs acting as channelising agencies for NSFDC, the Committee were *inter-alia* informed *vide* written reply that:

> "The Banks and Non-Banking Financial Companies-Micro Finance Institutions (NBFCs-MFIs) acting as channelizing agencies (CAs) for NSFDC cover a wide range of sectors and areas to support the economic empowerment of Scheduled Caste beneficiaries. Broadly, the sectors include:

(i) Self-Employment and Micro Enterprises: Loans for small businesses, artisan activities, and micro-enterprises.

(ii) Agriculture and Allied Activities: Loans for agriculture, dairy, poultry, horticulture, and fisheries projects.

(iii) Transport and Services: Loans for commercial vehicles, transport services, and other service-based enterprises.

(iv) Other Income-Generating Activities: Any other productive activity that generates sustainable income for beneficiaries, in line with NSFDC guidelines.

The CAs ensure financial assistance reaches beneficiaries in these sectors, providing guidance, monitoring, and support for successful project implementation."

4.9 With regard to NBFC-MFI, a representative of NSFDC informed the Committee during the deliberation that:

> “हमने एक एनबीएफसी-एमएफआई मॉडल पायलट बेसिस पर लिया था, जिसमें हम ‘साधन’, जो इनका एक अम्ब्रेला संगठन है, इसमें उनकी भागीदारी को लेते हैं और उनके द्वारा हमने चार एम.एफ.आई. को चयनित किया है और उनके माध्यम से हम उन एरियाज में लोन प्रदान कर रहे हैं, जहां हमारी एस.सी.एज़. काम नहीं कर रहे हैं। इसमें हम पहले 30,000 रुपये तक के लोन दे रहे थे और अब 50,000 रुपये तक के लोन्स प्रदान किए जाते हैं।“

4.10 On being asked regarding utilization of funds by SCAs and channelising partners during the last three years including percentage of utilization and unspent balances, the Committee were *inter-alia* provided following information:

Sl. No.	Financial Year	SCAs					Alternate Channel					TOTAL				
		Cumulative Funds Utilization		Pending Utilization	Funds Utilization		Cumulative Funds Utilization		Pending Utilization	Funds Utilization		Cumulative Funds Utilization		Pending Utilization	Funds Utilization	
		Amt	%		Amt	No. of Benef.	Amt	%		Amt	No. of Benef.	Amt	%		Amt	No. of Benef.
1.	2022-23	328675.52	87.99	44,876.95	15,166.96	46540	2,06,266.42	93.65	13,977.93	33,107.93	34,622	5,34,941.94	90.09	58,854.88	48,274.89	81,162
2.	2023-24	347625.23	86.93	52,266.60	19,910.13	51,117	2,60,960.58	90.80	26,455.12	54,029.88	60,192	6,08,585.81	88.55	78,721.72	73,940.01	111,309
3.	2024-25	382724.82	94.03	24,316.76	33,972.81	52,624	3,36,648.04	99.92	263.89	75,244.29	65,378	7,19,372.86	96.70	24,580.65	1,09,217.10	118,002
4.	2025-26	408052.46	96.96	12,949.39	25,399.26	27,339	3,69,663.50	100.00	600.59	33,043.09	34,055	7,77,715.96	98.55	13,549.98	58,442.35	61,394

4.11 On being asked about the States/UTs that have given optimum equity share towards NSFDC Credit Schemes, the Committee were *inter-alia* informed vide written reply that:

> “State Channelizing Agencies in Andhra Pradesh, Uttar Pradesh, Karnataka, Tamil Nadu, Maharashtra, West Bengal, Kerala, Punjab, Gujarat and Rajasthan which have availed maximum cumulative disbursement from NSFDC have given optimum equity share in the form of margin money loan contribution from their side, towards NSFDC Credit Schemes.”

4.12 As regards to the staff strength in SCAs for smooth implementation of NSFDC Schemes, the Committee were *inter-alia* informed *vide* written reply that most of the performing SCAs of States/UTs like Chandigarh, Haryana, Himachal Pradesh, Tamil Nadu, Kerala, Punjab, Maharashtra, Rajasthan and West Bengal are sufficiently staffed in order to ensure smooth implementation of NSFDC Schemes.

4.13 With reference to the hurdles being faced by NSFDC in the implementation of Schemes due to State Channelising Agencies, the Committee were informed by the Secretary, Department of Social Justice and Empowerment during the deliberation of the Committee that:

> “हमारे जो एससीएस हैं, उनकी इंस्टीट्यूशनल स्ट्रक्चर्स कुछ वर्षों से वीक हो गई हैं। उसके लिए डिफरेंट रीजन्स हैं। उसको मजबूत करने की आवश्यकता है। इसकी वजह से हमें थोड़ी दिक्कत होती है, क्योंकि 14 स्टेटस में एससीएस काम नहीं कर पा रहे हैं। इसकी साथ ही कुछ स्टेटस में क्रेडिट डिस्प्लीन भी अफेक्ट हुआ है। Because of which, loan recovery has become a big challenge in some States.”

4.14 He also added that:

"स्टेट गवर्नमेंट्स भी बहुत सारे राज्यों में हमारे एससीएस को लोन के लिए गारंटी नहीं दे रही हैं। इसकी वजह से भी हमें दिक्कत हो रही हैं। ये चैलेंजेज हैं, जिन्हें हम फेस करते हैं। हमारा प्रयास है कि इन चैलेंजेज को हम ओवरकम करें।

सर, क्रेडिट गारंटी स्कीम के तहत बैंक्स और अन्य फाइनैंशियल इंस्टीट्यूशंस के साथ साथ हमारा भी इन्क्लूजन हो जाए। Our loans can also be covered under credit guarantee scheme. This is also our effort. We are also looking at strengthening of our State Channelising Agencies. We are also trying to seek convergence with Central and State schemes. जो बहुत सारी सब्सिडी स्कीम्स होती हैं, हम चाहते हैं कि अपने लोन्स को पैकेज करके उनके साथ दे पाएं। इससे ज्यादातर लाभार्थी को सरकार की स्कीम्स का फायदा मिल सकता है। जो लोन कंपोनेन्ट होता है, उसको हम अपनी तरफ से फुलफिल करने के लिए प्रयासरत हैं। अगर यह काम होगा तो हमें आगे ग्रोथ मिलेगी।"

4.15 The Committee find that State Channelizing Agencies (SCA) appointed by the respective State/UT Government to implement the NSFDC Schemes in the country are under-performing or non-performing in 14 States due to the weak institutional structure of SCAs. The Committee also find that some States are not giving guarantee to SCAs and Telangana and Administration of Ladakh have not yet appointed SCA. The Committee note that NSFDC has entered into an agreement with Regional Rural Banks, Public Sector Banks and other Financial Institutions as alternative channel partners to ensure continuity in implementation and to expand the outreach of NSFDC schemes. The Committee are surprised to find that despite entering into an agreement with alternative Channel Partners, the number of beneficiaries were 61,394 in 2025-26 in comparison to 118,002 beneficiaries and 111,309 beneficiaries in 2024-25 and 2023-24, respectively. The Committee are deeply concerned with the state of affairs of the State Channelizing Agencies and feel that unless some concrete measures are taken the performance of the SCAs is not likely to improve. The Committee would, therefore, like the Department of Social Justice and Empowerment to set up a High-Powered Committee to examine the issues that are hampering the performance of SCAs and find the solution to these issues so that the problems of NSFDC and State Governments are jointly addressed. The Committee would like to be informed of the action in this regard. The Committee expect that the performance of SCAs will improve and the SCA's will be appointed in all the States/UT at the earliest.

4.16 In order to ensure continuity in implementation and to expand the outreach of NSFDC schemes due to weak structure of State Channelizing Agencies in the country, NSFDC have started partnering with the Public Sector Banks, Regional Rural Banks, Non-Banking Financial Institutions, etc. to cover wide range of sectors for the economic empowerment of Scheduled Castes beneficiaries. The Committee appreciate this initiative of the Department of Social Justice and Empowerment, unfortunately, this initiative is not covered under Credit Guarantee Schemes due to which Channel partners are not able to provide big financial support to the beneficiaries. The Committee strongly feel that Credit Guarantee Scheme should also be extended over the NSFDC Schemes implemented by the Banks and Financial Institutions as it would not only increase the number of beneficiaries and the amount of loan sanctioned to these beneficiaries but would also build confidence of Banks and Financial Institutions as their loans will get secured. The Committee would, therefore, like the Department of Social Justice and Empowerment to make concerted efforts for inclusion of the NSFDC Schemes implemented by Public Sector Banks, Regional Rural Banks, Non-Banking Financial Institutions, etc. under Credit Guarantee Scheme without any further delay.

CHAPTER-V

CREDIT BASED SCHEMES

The Corporation has various Credit Based Schemes for providing financial and other assistance to the beneficiaries.

1. **Micro Credit Finance (MFS)**

   Loans are provided for undertaking income generating activities/projects/units costing up to Rs.1,40,000/-. NSFDC provides loans up to 90% of the Project Cost with maximum amount of Rs.1.25 lakhs.

2. **Term Loan (TL)**

   Beneficiaries can obtain bigger size loan for income generating project(s)/unit(s) costing from Rs.1.40 lakh to Rs.50.00 lakhs. NSFDC provides loans up to 90% of the Project Cost, i.e. ranging from Rs.1.25 lakh to Rs.45.00 lakhs per unit.

3. **Educational Loan Scheme (ELS)**

   Loan is provided for pursuing full-time Professional/Technical courses in recognized institutions, as a one-time assistance. Maximum Loan Limit of Up to Rs.40.00 lakh for studies in India and Abroad or 90% of course fee, whichever is less.

4. **Aajeevika Microfinance Yojana (AMY)**

   The scheme is implemented in those States wherein no SCAs/CAs of NSFDC are functioning or are not performing to the desired level. NSFDC provides loan up to 90% i.e. up to Rs.1.25 lakhs for projects costing up to Rs.1.40 lakhs.

5. **Udyam Nidhi Yojana (UNY)**

   Loans are provided through Cooperative Societies and Cooperative Banks (Channelizing Agency) to pursue small/micro activities as per the beneficiaries' needs for the project(s)/unit(s) costing up to Rs.5.00 lakhs. NSFDC provides loans up to 90% of the Project Cost i.e. up to Rs.4.50 lakhs.

5.2 The details of beneficiaries and amount disbursed during last 5 years under various schemes are as follows:

Sl. No.	Scheme	2021-22		2022-23		2023-24		2024-25		2025-26		Total	
		Amt	Beneficiaries	Amt	Beneficiaries	Amt	Beneficiaries	Amt	Beneficiaries	Amt	Beneficiaries	Amt	Beneficiaries
1.	Term loan	486.53	37,761	520.63	32,993	619.29	51,459	494.18	25,928	590.51	34,590	2,711.14	1,82,731
2.	Micro Credit Finance	80.29	38,288	109.49	50,856	85.74	33,785	105.89	15,411	170.83	24,195	552.24	1,62,535
3.	Education Loan Scheme	5.19	170	5.83	139	9.42	128	11.71	411	13.92	217	46.07	1,065

5.3 As per the records of the NSFDC the recovery rate for the last three years is as follows:

Sl No	Schemes	2023-24	2024-25	2025-26
1	Term Loan	92.09%	92.66%	93.21%
2	Micro Credit Finance	98.08%	97.35%	97.10%
3	Education Loan Scheme	83.12%	84.34%	84.26%

5.4 On being asked about the reasons for reduction in number of beneficiaries from 85372 in 2023-24 to 41750 in 2024-25, under Credit Based Schemes, the Committee was informed *vide* written reply that:

> "The number of beneficiaries under the Credit/Loan-based Schemes nearly halved during FY 2024-25 as a larger proportion of beneficiaries with higher loan amounts were covered during the year. In order to increase the number of beneficiaries, the following steps are being taken:
>
> (i) Steps are being taken to recover the overdue loan repayments through the mechanism of Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD) from the defaulting SCAs to augment resources for fresh lending. Resolution of overdue payments will also facilitate fresh lending through such SCAs;
>
> (ii) Government has been requested for infusion of additional equity;
>
> (iii) Awareness and outreach initiatives are being strengthened to ensure equitable access and inclusion of eligible beneficiaries across all categories and regions;
>
> (iv) Steps are being taken to encourage small ticket size loans to cater to first-time borrowers and micro-entrepreneurs, ensuring inclusivity and wider coverage; and
>
> (v) As per the DPE directive, a disbursement target of 60% to Micro Finance beneficiaries has been set for the year."

5.5 On being enquired about the reasons due to which Micro Finance Loans are given at higher rate of interest of 15% to the beneficiaries, representative of NSFDC informed the Committee during the deliberations that:

> "हम 5 परसेंट पर उनको लोन देते हैं और उनको 10 परसेंट का मार्जिन दिया जाता है। 10 परसेंट का मार्जिन इसीलिए दिया जाता है कि failure in microfinance is a necessary incidence. कुछ लोन्स तो फेल होते ही हैं। इसीलिए वे लोग 10 परसेंट का मार्जिन लेते हैं। बाकी जगहों पर 4 परसेंट का मार्जिन दिया जाता है। हमें ऐसी कोई भी शिकायत नहीं मिली है, जहां पर कोई हाई हैंडेड तरीके का इस्तेमाल किया हो for recovery of loans."

5.6 On being asked whether regular reviews are conducted on the interest rates of Credit based Schemes that are aimed at supporting low-income families, the Committee were *inter-alia* informed *vide* written reply that:

> "Yes, regular reviews are conducted by NSFDC to improve the performance and effectiveness of its Credit-Based Schemes, including assessment of interest rates to ensure that they remain affordable for low-income families. The following steps are taken for continuous improvement and monitoring of the schemes:
>
> (i) Review and feedback mechanism: NSFDC obtains regular feedback from beneficiaries through visits by its officials from the Head Office and Liaison Centres. Inspections of beneficiary units are carried out on a random sampling basis without prior notice, to assess the actual performance of the projects on the ground;

(ii) Evaluation of implementation: The implementation of NSFDC schemes is evaluated by both internal and external agencies. Based on evaluation reports, feedback from State Channelizing Agencies (SCAs), and field visits, necessary revisions in schemes, policies, and interest rates are made from time to time.

(iii) Sharing of best practices: To improve the performance of SCAs, NSFDC shares best practices of high-performing SCAs with others. It also facilitates inter-SCA visits to enable learning and adoption of effective systems and models. Through these measures, NSFDC ensures that its credit schemes remain responsive, inclusive, and beneficial to the target group."

5.7 On being enquired whether there is any proposal to increase the loan amount under the credit-based schemes to facilitate more beneficiaries, the Committee were *inter-alia* informed *vide* written reply that:

> "NSFDC reviews and rationalizes its loan schemes from time to time, keeping in view the feedback from beneficiaries, channel partners, cost escalation, and the need to promote viable livelihood activities and ensure that its schemes remain relevant and responsive to beneficiary needs. The last revision of its loan/credit schemes was undertaken by NSFDC which is effective from 01.04.2025. In order to increase the amount available for lending under the credit-based schemes, a proposal to increase the paid-up share capital of NSFDC is presently under consideration of the Government."

5.8 On being enquired about the number of persons given a term loan of Rs. 50 lakhs, Secretary, Department of Social Justice and Empowerment submitted before the Committee during deliberations that:

> "intended target is small loan size. Therefore, that is the operation which the Corporation does and that is the reason why most of our beneficiaries are small."

5.9 On being asked about the process followed to identify beneficiaries and the awareness campaign during the last three years, the Committee were informed *vide* written reply that:

> "The identification of beneficiaries under NSFDC schemes is carried out at the field level by the State Channelizing Agencies (SCAs) through a transparent and multi-tier process. Applications are invited through public notifications in newspapers, online portals, or direct submission at the district offices of SCAs. The selection process at the SCA level is conducted through a District-level Selection Committee, generally comprising the Deputy Commissioner/Additional Deputy Commissioner, District Welfare Officer, representative from the District Industries Centre, and officials of the concerned SCA. While state government agencies / SCAs are primarily responsible for creating awareness among targeted beneficiaries, NSFDC also conducts awareness camps in the States to spread awareness about its schemes."

5.10 On being enquired about the assessment carried out to check that the beneficiaries are actually getting benefits from these Schemes, a representative of NSFDC submitted during the deliberations that:

"हमारी स्कीम्स का क्या फायदा हो रहा है, इसको जानने के लिए हम हर साल एक इवैल्यूएशन स्टडी करवाते हैं और उसके आधार पर हमने पाया है कि हमारी स्कीम्स से वास्तव में हमारी बेनिफिशियरीज़ को लाभ हो रहा है। हमने इवैल्यूएशन के दौरान यह पाया है कि उन्होंने हमसे जिस काम के लिए लोन्स लिए थे, उसके 95-99 प्रतिशत फंड्स उसी काम के लिए इस्तेमाल किए गए। 92-95 प्रतिशत लोगों के पास पाया गया कि उन्होंने जो असेट्स लोन लेकर क्रिएट किया, they continued to hold it even after several years. It was almost 100 per cent figure, वर्ष 2022-23 में कोविड की दिक्कत हुई, उसकी वजह से आंकड़े 59 प्रतिशत पर आ गए, लेकिन हमारे शत प्रतिशत बेनिफिशियरीज़ लोन लेने के बाद गरीबी रेखा से ऊपर आ गए। उनमें से 40 प्रतिशत बेनिफिशियरीज़ तो डबल पॉवर्टी लाइन के पार चले गए। इस साल भी हम अपनी इवैल्यूएशन कर रहे हैं, जिसकी प्रक्रिया जारी है। एक एजेंसी को सेलेक्ट करके इवैल्यूएशन करा लिया जाएगा।"

5.11 On being asked about whether the beneficiaries of credit-based schemes are given training on the practical aspects of running a business or income generating activity, the Committee were inter-alia informed vide written reply that:

"In case of general activities like small business shops, transport vehicle etc., the SCAs ensure that the beneficiaries have formal knowledge and experience to handle the business operations and finance. However, in case of special projects pertaining to industry sector and involving some technical knowledge, trainings are provided on practical aspects of running the business. Further, interested dairy farmers are invited by NSFDC for attending training cum capacity building programme at the NDDB training centres, located in the States of Gujarat, Assam, Tamil Nadu and Punjab."

5.12 On being enquired about the measures taken to market the products of beneficiaries, the Committee were informed by the representatives of NSFDC during the deliberation that:

"हम मार्केटिंग इनिशिएटिव्स भी लेते हैं और हमारी जो बेनिफिशियरीज़ हैं, उनकी आय बढ़ाने के लिए हम फंडिंग करते हैं। वे लोग जो प्रोडक्ट्स बनाते हैं, उनकी मार्केटिंग के लिए हम मेलों इत्यादि में भाग लेते हैं, जहां हम अपने बेनिफिशियरीज़ को एक चैनल प्रदान करते हैं। आजकल हमने 5 सितम्बर को बेंगलुरू में एक शिल्प समागम मेला का उद्‌घाटन किया है। ऐसे ही और मेले आयोजित किए जाएंगे। पिछले दस सालों में हमने ऐसे 79 मेले आयोजित किए हैं, जिससे 1170 बेनिफिशियरीज़ को लाभ हुआ है और उस दौरान 10.5 करोड़ रुपये की सेल्स की गयी हैं।"

5.13 In this context, Secretary, Department of Social Justice and Empowerment further informed during the deliberation that:

"मार्केट से जोड़ने के लिए हमने एक मार्केटिंग प्लेटफॉर्म, ट्यूलिप प्लेटफॉर्म बनाया है, जिसके अंतर्गत हम उनको मार्केटिंग का प्लेटफॉर्म देते हैं और विभिन्न राज्यों में, विभिन्न समय में लगभग 8-10 मेले भी करते हैं। इन मेलों में उनको भी सम्मिलित किया जाता है। वहां वे अपने प्रोडक्ट्स बेच सकते हैं। अब हम ट्यूलिप को ब्रांड की तरह प्रोमोट कर रहे हैं। हमारे तीनों कॉरपोरेशन -

एससी कॉरपोरेशन, सफाई कर्मचारी के कॉरपोरेशन और ओबीसी के कॉरपोरेशन, जो भी लोन उद्यमी को देते हैं, उन्हें मार्केटिंग प्लेटफॉर्म ट्यूलिप के माध्यम से दिया जाता है।"

5.14 The Committee note that loan is provided by NSFDC to the beneficiaries having annual family income of Rs. 5 lakhs and the proposal to increase the Annual Family Income for beneficiaries has not been positively considered by the Government. The Committee also note that the Micro Finance Loans are given at the interest to 15 percent to the beneficiaries and the Term Loan is not encouraged so that small loans can be given to more beneficiaries. The Committee are of the opinion that the rate of interest charged on Micro Finance Loan is very high and is also a factor due to which a large number of people are not getting attracted to it. The Committee feel that the rate of interest should be fixed in keeping into consideration the annual family income so that the person availing loan is able to repay comfortably. The Committee would therefore, like the Department of Social Justice and Empowerment to re-examine the rate of interest and the annual family income and consider bringing down the rate of interest and enhance the annual family income so that targeted people are benefitted from the Scheme.

The Committee agrees with the NSFDC submission that the Term Loan are not encouraged as the policy is to give 60 percent of the loans as Micro Finance Loans. The Committee, however, feel that the proposals of Term loan of high value should also be considered. The Committee, therefore, desire that an Expert Committee consisting of adequate number of representatives from Scheduled Castes may be constituted to examine all these issues.

5.15 The Committee are happy to know that the Corporation organizes awareness campaigns along with State Channelizing Agencies to spread awareness about its Schemes, training programs for beneficiaries and melas to market the goods produced by the beneficiaries. The Committee found that NSFDC organized 79 melas in a span of last 10 years and there has been total 10.5 crores earning from these Melas. The Committee are, however, not satisfied with these figures. Considering the benefit of awareness campaigns, training programmes & Melas for the people belonging to Scheduled Castes the Committee would like NSFDC to institutionalize the system so that the training programs, melas and awareness program are organized regularly at a periodic

interval so that a large number of Scheduled Castes beneficiaries can take advantage of NSFDC schemes. The Committee would like to be informed of the steps taken in this regard.

CHAPTER-VI

MONITORING AND EVALUATION OF SCHEMES

NSFDC has the following internal monitoring mechanism in place for monitoring the implementation of schemes by the State Channelizing Agencies/Channelizing Agencies (SCAs/CAs):

(i) The SCAs/CAs are required to submit utilization certificates in the prescribed format containing the details such as name, gender, annual family income, caste and addresses of beneficiaries, amount disbursed, mode of disbursement, date of disbursement etc;

(ii) NSFDC nominees discuss the pending issues relating to NSFDC Schemes in the Board Meetings of SCAs;

(iii) High level meetings of NSFDC officers are held with State Governments and SCA Officers to discuss pending issues;

(iv) NSFDC reviews the progress of its schemes at regular intervals with the SCAs/CAs;

(v) Pending issues are reviewed and resolved in the Regional Workshops/Video Conferences of SCAs/CAs; and

(vi) NSFDC officials from its Liaison Centres and Head Office periodically inspect the units financed by NSFDC. Similar visits are undertaken to the on-going skill training site for surprise inspection.

6.2 On being enquired about the mechanism adopted for impact assessment of Schemes under NSFDC, the Committee were inter-alia informed *vide* written reply that:

> "A systematic mechanism has been adopted by NSFDC for assessing the impact of its schemes. NSFDC conducts impact assessment/evaluation studies on the performance of all its schemes through external agencies, which are selected on the basis of open tender to ensure transparency and objectivity. The sample States are selected in such a manner that all States are covered in a cycle of three years, enabling comprehensive evaluation of scheme implementation and outcomes across the country. The findings of these studies are utilized to identify gaps, improve operational efficiency, and strengthen future policy interventions."

6.3 With reference to the study conducted to assess the NSFDC performance and impact of all its schemes the Committee were informed that the NSFDC had conducted studies on performance of all its schemes through external organizations. The summary of the evaluation studies is given as under:

Particulars	**Evaluation by NSFDC (2017-18)**	**Evaluation by NSFDC (2018-19)**	**Evaluation by MOSJ&E (2019-20)**	**Evaluation by NSFDC (2022-23)**
Number of States covered	13 States*	9 States **	5 States ***	10 States #
Utilization for the intended purpose	96.31%	98.6%	99.60%	95.10%
Beneficiaries possessed the assets created	94.92%	93.00%	99.50%	92.9%
Beneficiaries crossed BPL	99.88%	100%	68.10%	58.8%
Beneficiaries crossed DPL	91.11%	2.8%	25.70%	40.3%

States Covered:

* Andhra Pradesh, Bihar, Gujarat, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Karnataka, Maharashtra, Manipur, Punjab, Telangana, Tamil Nadu and Tripura.

** Assam, Chhattisgarh, Haryana, Kerala, Maharashtra, Rajasthan, Telangana, Uttar Pradesh and West Bengal.

*** Chhattisgarh, Tripura, Punjab, Tamil Nadu and Maharashtra.

Chhattisgarh, Haryana, Kerala, Madhya Pradesh, Maharashtra, Rajasthan, Sikkim, Telangana, Uttar Pradesh and West Bengal.

Note: No evaluation study was conducted during 2020-21 due to the COVID-19 pandemic.

6.4 With regard to the findings of the evaluation study conducted during 2025-26 the Committee were informed the following:-

Particulars	Evaluation by NSFDC (2025-26)
Number of State/UTs and beneficiaries covered	11 State/UTs (5,480 beneficiaries)
Utilization of assistance for the intended purpose	93.34% (5,115 beneficiaries)
Beneficiaries possessed the assets created	93.54% (5,126 beneficiaries)
Change in Annual Family Income (AFI) (beneficiaries crossed AFI above Rs.3 lakhs)	8.98% (492 beneficiaries)
Impact on employment status	73.95% (4,052 beneficiaries)
Change in occupation status	35.64% to 59.42% (Non-agri. self-employment)
Women Empowerment / Self-employment of House-wives	95.60% (674 out of 705)
Impact on social status	81.30% (4,455 beneficiaries)

State/UTs Covered

Andhra Pradesh, Bihar, Gujarat, Himachal Pradesh, Jammu and Kashmir, Karnataka, Odisha, Puducherry, Punjab, Tamil Nadu and Tripura.

6.5 In the various evaluations conducted by different organisations at different times the common observations/recommendations are as follows:

(i) NSFDC may plan, propose, encourage and guide the channel partners to implement all credit-based schemes. The channel partners should be encouraged to implement all credit-based schemes so that different category of target population may get benefit through other schemes.

(ii) Beneficiaries have highlighted the slow process of application, and approval and disbursement of loan by the channel partners. The average time taken from submission of application to receipt of loan by the beneficiaries under NSFDC schemes in 2016-17 is more than six months.

(iii) Beneficiaries expressed their unhappiness about the insufficient credit amount provided to undertake their proposed economic activities properly and suggested for increment in the loan amount.

(iv) Faced difficulty in getting the loan under the schemes of NSFDC due to repeated visits to the office of the channel partner.

(v) In order to expand the ambit of the schemes and create awareness, 'success stories' of the beneficiaries need to be publicised widely.

(vi) Interventions for Cluster Development activities will enable NSFDC to cover target group persons in large numbers and improve their livelihoods through various interventions.

(vii) Seek convergence of its schemes with various current national priorities such as MUDRA, Start-up India, Stand-up India and Skill India.

(viii) Seek to enroll the SC entrepreneurs financed under various schemes in the MSME Udyog Aadhar so that their units will eligible for various benefits.

(ix) Strategic shifts required to make the functioning more effective for the economic empowerment of eligible Scheduled Caste (SC) Target Group.

(x) Empowering the youth by skilling them in industry relevant areas and upgrading their capability through entrepreneurship development programmes for setting up of mini/tiny ventures.

(xi) Reward the better performing SCAs through Incentive Schemes to improve the performance of average performing SCAs and to assist them for gradual enhancement in the financial and overall performance in implementing NSFDC Schemes.

(xii) To revive the non-functioning SCAs through One Time Settlement (OTS) Schemes.

(xiii) Maintain updated beneficiary data in prescribed format at all SCAs/CAs and NSFDC headquarters.

(xiv) Ensure also branches of SCAs/CAs and District Officers have current scheme-related information.

(xv) Minimize time taken between loan approval and disbursement to ultimate beneficiary.

6.6 The Committee note that NSFDC monitor the implementation of the Schemes along-with the State Channelizing Agencies (SCA) and other channelizing agencies (CA). To monitor the implementation of Schemes, NSFDC holds meeting with the State Governments and State Channelizing Officers, review the progress of its Schemes at regular Intervals along-with SCA's and CA's, inspection of unit financed by NSFDC, submission of Utilization Certificates, etc. However, the Committee have not noticed any provision to associate beneficiaries or the representatives of the Scheduled Castes to advise/ suggest NSFDC or State Channelizing Agencies, Channelizing Agencies etc. on the Schemes of the NSFDC. The Committee have also noted that the evaluation study was conducted by NSFDC in different batches and States were

selected in a manner that all States are covered in the cycle of 3 years. It is revealed from the studies conducted in 2022-23 that 58.8 percent of the beneficiaries have crossed below poverty line and 43.3 percent of the beneficiaries have crossed double poverty line. The Committee are little disheartened to note that even after the Corporation came into existence decades back the NSFDC has not been able to bring targeted section of the society out of poverty. The Committee have also found that several short comings such as difficulty in getting loan, insufficient credit amount, non-implementation of all the credits base schemes by channel partners etc. have been observed in Evaluation Studies conducted. The Committee would be pleased to know the action taken by NSFDC on these observations and also on the suggestions made in the study such as intervention and cluster development activities, convergence of the schemes with MUDRA, Start-Up India, etc. empowering youth by skilling, revival of SCA's through one time settlement, etc. The Committee desire that NSFDC conducts regular review of the Schemes so that the required changes are introduced at the earliest and examine that the organization can benefit in any way by associating beneficiaries/public representatives in the decision making of NSFDC. The Committee would like to be informed of the steps taken in this regard.

New Delhi
10th August, 2026
19 Sravana, 1948 (Saka)

SHRI P.C MOHAN
Chairperson
Standing Committee on Social Justice and Empowerment

APPENDIX-I

MINUTES OF THE TWENTIETH SITTING OF THE STANDING COMMITTEE ON SOCIAL JUSTICE AND EMPOWERMENT (2024-25) HELD ON TUESDAY, 9th SEPTEMBER, 2025

The Committee met from 1500 hrs. to 1620 hrs. in Main Committee Room, Parliament House Annexe- Building, New Delhi.

PRESENT

SHRI P.C. MOHAN - CHAIRPERSON

MEMBERS

Lok Sabha

2. Shri E.T. Mohammed Basheer
3. Shri Bhasker Murlidhar Bhagare
4. Smt. Vijaylakshmi Devi
5. Shri Chhatrapal Singh Gangwar
6. Km. Priyanka Satish Jariholi
7. Shri Murari Lal Meena
8. Shri Godam Nagesh
9. Smt. Bag Mitali
10. Shri Bhojraj Nag
11. Shri Gajendra Singh Patel
12. Shri Rajkumar Roat
13. Shri Matheswaran V.S
14. Adv. Priya Saroj
15. Shri Anoop Pradhan Valmiki
16. Dr. Lata Wankhede
17. Shri Surendra Prasad Yadav

Rajya Sabha

18. Smt. Sumitra Balmik
19. Smt. Geeta alias Chandraprabha
20. Smt. Phulo Devi Netam
21. Shri Ramji
22. Shri Rameswar Teli
23. Smt. Mamata Thakur
24. Smt. P.T. Usha
25. Shri Abdul Wahab

SECRETARIAT

1.	Smt. Mamta Kemwal	-	Joint Secretary
2.	Shri Vinay Pradeep Barwa	-	Director
3.	Shri Krishendra Kumar	-	Deputy Secretary

REPRESENTATIVES OF THE DEPARTMENT OF SOCIAL JUSTICE AND EMPOWERMENT (MINISTRY OF SOCIAL JUSTICE AND EMPOWERMENT)

Shri Amit Yadav	Secretary (SJE)
Ms. Caralyn Khongwar Deshmukh	Additional Secretary
Shri Biswaranjan Sasmal	Additional Secretary, SJ&E
Ms. Yogita Swaroop	Sr. Economic Advisor, SJ &E

REPRESENTATIVES OF NATIONAL SCHEDULED CASTES FINANCE AND DEVELOPMENT CORPORATION (NSFDC)

Shri Prabhat Tyagi	CMD, NSFDC
Shri C. Ramesh Rao	CGM, NSFDC

2. At the outset, the Chairperson welcomed the representatives of the Department of Social Justice & Empowerment and NSFDC and asked them to brief the Committee on the progress made on various issues particularly increase in the income eligibility limit under credit based schemes, issues pertaining to the State Channelising Agencies and increase in the loan against under various Schemes and the obstacles faced by Scheduled Castes in certain States/UTs in availing facilities provided under various Schemes of NSFDC due to migration from other States.

3. After the introduction by the representatives of the Department of Social Justice & Empowerment and NSFDC, the CMD, NSFDC made a PowerPoint Presentation on the subject 'Review of functioning of NSFDC'.

4. Thereafter, the Committee *inter-alia* deliberated on various issues, such as:

(i) Strengthening of State Channelising Agencies (SCAs) particularly in 14 underperforming States;

(ii) Alternate mechanism for redressal of disputes (AMRCD) for recovery from defaulting SCAs;

(iii) Equity infusion by the Government of India to increase the Paid-Up Capital;

(iv) Notification of Scheduled Castes migrating from other States;

(v) Increasing the average loan size and schemes for women; and

(vi) Utilisation of the Government Centralised Public Grievance Redress and Monitoring System (CPGRAMS) for grievance redressal.

5. The representatives of the Department of Social Justice and Empowerment and NSFDC responded to the queries raised by the Members to the extent possible on the above mentioned issues. Before concluding the meeting, the Chairperson directed the representatives to furnish written replies to the queries on which the requisite information was not readily available with them to the Secretariat within fifteen days.

The witnesses then withdrew

[A copy of the verbatim proceedings was kept on record]

The Committee then adjourned.

APPENDIX-II

MINUTES OF THE SEVENTEENTH SITTING OF THE STANDING COMMITTEE ON SOCIAL JUSTICE AND EMPOWERMENT (2025-26) HELD ON MONDAY, 10TH AUGUST, 2026.

The Committee met from 1530 hrs. to 1600 hrs. in Chairperson's Chamber, Room No. 113, E-PHA, Block 'B', Extension Building, New Delhi.

PRESENT

SHRI P.C. MOHAN - CHAIRPERSON

MEMBERS

Lok Sabha

2. Smt. Vijaylakshmi Devi
3. Shri Chhatrapal Singh Gangwar
4. Km.Priyanka Satish Jarkiholi
5. Shri Chintamani Maharaj
6. Smt. Bag Mitali
7. Shri Bhojraj Nag
8. Shri Godam Nagesh
9. Shri Gajendra Singh Patel
10. Shri Rajkumar Roat
11. Adv. Priya Saroj
12. Dr. Lata Wankhede

Rajya Sabha

13. Smt. Sumitra Balmik
14. Dr. Meenakshi Jain
15. Shri V. Vijayendra Prasad
16. Smt. Phulo Devi Netam
17. Smt. Maya Chintaman Ivnate
18. Dr. Mukeshbhai J. Rathwa

SECRETARIAT

1. Smt. Juby Amar - Joint Secretary
2. Shri Vinay Pradeep Barwa - Director
3. Shri Krishendra Kumar - Deputy Secretary

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened to consider and adopt the draft Report on 'Review of the functioning of the National Scheduled Castes Finance and Development Corporation (NSFDC)'.

3. The Chairperson then requested the Members to give their suggestions, if any, on the draft Report. The Report were adopted by the Committee without any modifications.

4. The Committee then authorized the Chairperson to finalize the draft Report and to present the same to both the Houses during the ensuing session.

The Committee then adjourned.

ANNEXURE

STATEMENT OF OBSERVATIONS/RECOMMENDATIONS

Sl.No	Para No.	Observations/ Recommendations
1.	2.6	The Committee observe that the apex body of the Board of Directors consisting of 15 members constituted to oversee functioning of NSFDC has 9 vacancies in the Board. The Committee also noted that the members of the Board of Directors are drawn from various Ministries/Departments/Organizations such as Ministries of Social Justice and Empowerment, Finance, Small and Medium Enterprises, Banks, State Channelizing Agencies etc. The Committee strongly opine that the purpose to constitute Board is certainly defeated if more than 50 percent positions in the Board are vacant as these Members are drawn from different Ministries/Departments/Organizations and will undoubtedly contribute more effectively. The justification of the Department of Social Justice and Empowerment that the existing vacancies do not affect the functioning of the Corporation is incomprehensible. If the vacant positions are not affecting the functioning of the Corporation, then Committee do not see any logic of constituting 15 Members Board of Directors. The Committee are of the firm view that there should not be any vacancy in the Board as it may adversely affect the functioning of the Corporation. The Committee would have appreciated if appropriate measures had been taken by the Department of Social Justice and Empowerment to ensure that there is no vacancy in

		the Board instead of justifying vacancies in the Board. The Committee, therefore, recommend that the action to fill up the vacancies in the Board of Directors may be immediately taken by the Department of Social Justice and Empowerment without any further delay for the better management of the Corporation. The Committee would also desire that appropriate measures are taken well in advance before any vacancy arises in the Board. The Committee expect positive and expeditious action in this regard.
2.	**2.7**	**The Committee note that the meeting of the Board of Directors and Audit Committee are not being held in the Corporation in compliance with the provisions contained in the Department of Public Enterprises guidelines on Corporate Governance for Central Centre Enterprises. The meetings of Board of Directors and Audit Committee are supposed to be held every 3 months. But only 3 meetings were held in the Financial Year 2024-25. Similarly, the Board of Directors and Audit Committee did not meet even once in 2023-24 as stipulated in the guidelines. The Committee strongly believe that the laid down provisions should be strictly followed without any deviation as it may help in the functioning and decision making of an organization. The Committee would, therefore, like Corporation to strictly comply with the provisions contained in Department of Public Enterprises guidelines on Corporate Governance. The Committee recommend that Corporation should take suitable action to ensure that the meetings of the**

		Board of Directors and Audit Committee are held every year as stipulated in the Department of Public Enterprises guidelines.
3.	**2.8**	**The Committee find that the day-to-day functioning of the Corporation is managed by the Chief General Manager, General Manager and a Team of Senior Executives. The Corporation has 4 Liaison centers to liaise with States/ UTs, State Channelizing Agencies and Channelizing partners in the respective States/ UTs. The Committee however find that out of the sanctioned strength of 70 officials in the Corporation 21 positions were vacant on 31 March, 2026 and the vacancies have further increased to 27 as on 28 July, 2026. The Committee are of the opinion that the organization particularly dealing with the people welfare cannot function efficiently and may fail in achieving the objectives unless it is adequately staffed. The Committee also feel that the 4 liaison centers are not sufficient to liaise with 38 States/UTs State Channelizing Agencies and 53 other channelizing agencies and to monitor the implementation of schemes of NSFDC.** **The Committee, therefore, recommend the Department of Social Justice and Empowerment to strengthen the Corporation by filling up the vacant positions at the earliest and also to conduct a work study by any reputed human resources organization to assess the requirement of officials and staffs for the effective management of the affairs of the Corporation to achieve the objectives of the Corporation. The Committee would also like to**

		recommend to establish more Liaison Centers in the country so that they have sufficient set up to effectively monitor the implementation of Schemes State/UTs Channelizing Agencies and Channelizing partners widely spread across the Country. The Committee would like the Department of Social Justice and Empowerment and the Corporation to take necessary measures to complete the exercise in a time bound manner.
4.	**3.8**	**The Committee note that the authorized share capital was Rs. 75 Crore at the time of Setting up of NSFDC in 1989 and since then the Authorized share capital of NSFDC has been revised 5 times to Rs. 1800 crore in financial year 2023-24 to strengthen financial base and to increase capital base for concessional landing to eligible SC borrowers. The Committee find that revision percentage has considerably gone down from 140% in 1995 and 233% in 1998 to 50% in 2016 and 20% in 2024. The Committee are unable to comprehend the reasons due to which revision percentage has gone down considerably particularly when the large capital base provides loans to more beneficiaries. The Committee find no reason due to which authorized share capital should not increase, like Department the Committee are also of the opinion that there is a need to enhance it further to adequately cover significant proportion of eligible beneficiaries in the country. The Committee would, therefore, like the Department of Social Justice and Empowerment to periodically revise the authorized share capital to enable NSFDC so that large number**

		of eligible people can get loan to meet their needs. The Committee would like to recommend the Department to establish a mechanism for automatic revision of authorized share capital at regular interval in the interest of the beneficiaries.
5.	**3.9**	**The Committee find that the equity of Rs. 14.6 crore was infused in 2019-20 and Rs.15 crore in 2023-24 and no equity has been infused between 2019-20 and 2023-24 and after 2023-24 by the Government and the proposal is under consideration for the infusion of equity. The Committee are unable to understand the reasons due to which equity has not been infused during these years and the Committee strongly feel that the equity should have been infused after the authorized share capital was enhanced in 2024 from Rs.1500 crore to Rs.1800 Crore as it enhances the capital base for concessional landing to eligible SC borrowers. The Committee are also in agreement with the view of NSFDC that due to non-regular inclusion of equity the disbursement of loan NSFDC has remained stagnant and an additional equity infusion from the Government is required to further strengthen the Corporation's lending and operational capacity to meet the increasing demand for concessional finance and to expand the coverage of beneficiaries. In view of the considerable fall in number of Beneficiaries in 2024-25 and 2025-26 in comparison to the period between 2019-20 to 2023-24, the Committee are of the opinion that had NSFDC received equity from the Government during these years the number of beneficiaries could have been**

		much more in 2024-25 and 2025-26. Since, NSFDC is a non-profit making company and their asset size increase only by three percent, hence they may not be able to actually meet even the inflation, which runs about at a rate of four or four and a half per cent, unless they get more of equity infusion. The Committee would like the Department of Social Justice and Empowerment to take necessary steps for early disbursal of the equity and also to ensure that the equity is received by NSFDC every year without any gap as it increases the financial base of the Corporation to meet the objectives of NSFDC. The Committee would like to be informed of the action taken by the Department of Social Justice and Empowerment in this regard at the action taken stage.
6.	**4.15**	**The Committee find that State Channelizing Agencies (SCA) appointed by the respective State/UT Government to implement the NSFDC Schemes in the country are under-performing or non-performing in 14 States due to the weak institutional structure of SCAs. The Committee also find that some States are not giving guarantee to SCAs and Telangana and Administration of Ladakh have not yet appointed SCA. The Committee note that NSFDC has entered into an agreement with Regional Rural Banks, Public Sector Banks and other Financial Institutions as alternative channel partners to ensure continuity in implementation and to expand the outreach of NSFDC schemes. The Committee are surprised to find that despite entering into an agreement with alternative Channel Partners, the number of beneficiaries were**

		61,394 in 2025-26 in comparison to 118,002 beneficiaries and 111,309 beneficiaries in 2024-25 and 2023-24, respectively. The Committee are deeply concerned with the state of affairs of the State Channelizing Agencies and feel that unless some concrete measures are taken the performance of the SCAs is not likely to improve. The Committee would, therefore, like the Department of Social Justice and Empowerment to set up a High-Powered Committee to examine the issues that are hampering the performance of SCAs and find the solution to these issues so that the problems of NSFDC and State Governments are jointly addressed. The Committee would like to be informed of the action in this regard. The Committee expect that the performance of SCAs will improve and the SCA's will be appointed in all the States/UT at the earliest.
7.	**4.16**	**In order to ensure continuity in implementation and to expand the outreach of NSFDC schemes due to weak structure of State Channelizing Agencies in the country, NSFDC have started partnering with the Public Sector Banks, Regional Rural Banks, Non-Banking Financial Institutions, etc. to cover wide range of sectors for the economic empowerment of Scheduled Castes beneficiaries. The Committee appreciate this initiative of the Department of Social Justice and Empowerment, unfortunately, this initiative is not covered under Credit Guarantee Schemes due to which Channel partners are not able to provide big financial support to the beneficiaries. The Committee strongly feel that Credit Guarantee**

		Scheme should also be extended over the NSFDC Schemes implemented by the Banks and Financial Institutions as it would not only increase the number of beneficiaries and the amount of loan sanctioned to these beneficiaries but would also build confidence of Banks and Financial Institutions as their loans will get secured. The Committee would, therefore, like the Department of Social Justice and Empowerment to make concerted efforts for inclusion of the NSFDC Schemes implemented by Public Sector Banks, Regional Rural Banks, Non-Banking Financial Institutions, etc. under Credit Guarantee Scheme without any further delay.
8.	**5.14**	**The Committee note that loan is provided by NSFDC to the beneficiaries having annual family income of Rs. 5 lakhs and the proposal to increase the Annual Family Income for beneficiaries has not been positively considered by the Government. The Committee also note that the Micro Finance Loans are given at the interest to 15 percent to the beneficiaries and the Term Loan is not encouraged so that small loans can be given to more beneficiaries. The Committee are of the opinion that the rate of interest charged on Micro Finance Loan is very high and is also a factor due to which a large number of people are not getting attracted to it. The Committee feel that the rate of interest should be fixed in keeping into consideration the annual family income so that the person availing loan is able to repay comfortably. The Committee would therefore, like the Department of Social Justice and Empowerment to re-examine the rate of interest and the annual family income and**

		consider bringing down the rate of interest and enhance the annual family income so that targeted people are benefitted from the Scheme. **The Committee agrees with the NSFDC submission that the Term Loan are not encouraged as the policy is to give 60 percent of the loans as Micro Finance Loans. The Committee, however, feel that the proposals of Term loan of high value should also be considered. The Committee, therefore, desire that an Expert Committee consisting of adequate number of representatives from Scheduled Castes may be constituted to examine all these issues.**
9.	**5.15**	**The Committee are happy to know that the Corporation organizes awareness campaigns along with State Channelizing Agencies to spread awareness about its Schemes, training programs for beneficiaries and melas to market the goods produced by the beneficiaries. The Committee found that NSFDC organized 79 melas in a span of last 10 years and there has been total 10.5 crores earning from these Melas. The Committee are, however, not satisfied with these figures. Considering the benefit of awareness campaigns, training programmes & Melas for the people belonging to Scheduled Castes the Committee would like NSFDC to institutionalize the system so that the training programs, melas and awareness program are organized regularly at a periodic interval so that a large number of Scheduled Castes beneficiaries can take advantage of NSFDC schemes. The Committee would like to be informed of the steps taken in this regard.**

10.	**6.6**	**The Committee note that NSFDC monitor the implementation of the Schemes along-with the State Channelizing Agencies (SCA) and other channelizing agencies (CA). To monitor the implementation of Schemes, NSFDC holds meeting with the State Governments and State Channelizing Officers, review the progress of its Schemes at regular Intervals along-with SCA's and CA's, inspection of unit financed by NSFDC, submission of Utilization Certificates, etc. However, the Committee have not noticed any provision to associate beneficiaries or the representatives of the Scheduled Castes to advise/ suggest NSFDC or State Channelizing Agencies, Channelizing Agencies etc. on the Schemes of the NSFDC. The Committee have also noted that the evaluation study was conducted by NSFDC in different batches and States were selected in a manner that all States are covered in the cycle of 3 years. It is revealed from the studies conducted in 2022-23 that 58.8 percent of the beneficiaries have crossed below poverty line and 43.3 percent of the beneficiaries have crossed double poverty line. The Committee are little disheartened to note that even after the Corporation came into existence decades back the NSFDC has not been able to bring targeted section of the society out of poverty. The Committee have also found that several short comings such as difficulty in getting loan, insufficient credit amount, non-implementation of all the credits base schemes by channel partners etc. have been observed in Evaluation Studies conducted. The Committee would be pleased to know the action taken by NSFDC on**

		these observations and also on the suggestions made in the study such as intervention and cluster development activities, convergence of the schemes with MUDRA, Start-Up India, etc. empowering youth by skilling, revival of SCA's through one time settlement, etc. The Committee desire that NSFDC conducts regular review of the Schemes so that the required changes are introduced at the earliest and examine that the organization can benefit in any way by associating beneficiaries/public representatives in the decision making of NSFDC. The Committee would like to be informed of the steps taken in this regard.