

GOVERNMENT OF INDIA
MINISTRY OF MINORITY AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO- 2261
ANSWERED ON 12.03.2025

CREDIT DISBURSED BY NMDFC

2261. SMT SAJDA AHMED

Will the Minister of MINORITY AFFAIRS be pleased to state:

- (a) the total amount of credit disbursed by National Minorities Development and Finance Corporation (NMDFC) during in the last three years and the number of beneficiaries being supported;
- (b) the mechanisms put in place to ensure that credit support is reaching genuine and deserving minority entrepreneurs;
- (c) the details of NMDFC-funded self-employment ventures which have remained operational and sustainable after five years, State-wise;
- (d) the mechanism put in place by the NMDFC to ensure timely loan repayment and prevent misuse of funds allocated for entrepreneurial ventures; and
- (e) the success rate of NMDFC-funded youth startups and the measures undertaken to support them in the long run including in West Bengal?

ANSWER

THE MINISTER OF MINORITY AFFAIRS

(SHRI KIREN RIJJU)

- (a): National Minorities Development and Finance Corporation has disbursed concessional credit to the tune of Rs. 2347.15 crore during the last three years i.e., from F.Y. 2021-22 to F.Y. 2023-24, thereby providing benefits to 5,50,939 beneficiaries from minority communities.
- (b): NMDFC has following eligibility criteria for the dissemination of concessional credit:
 - i. Persons should belong to a notified National Minority, specifically Buddhists, Christians, Jains, Muslims, Parsis, and Sikhs, as defined by the National Commission for Minorities Act of 1992.
 - ii. Person having annual family income of up to Rs. 3.00 lakhs under Credit Line-1 and up to Rs. 8.00 lakhs under Credit Line-2.

Applicants are required to submit necessary documentation to substantiate their fulfilment of the aforementioned eligibility criteria. There is a multi level screening mechanism used by respective State Channelizing Agencies (SCAs) of NMDFC, encompassing document verification, background checks, and site inspections, to rigorously ascertain that credit support is effectively reaching genuine and deserving minority entrepreneurs.

Furthermore, the sanctioned amount is released through Direct Benefit Transfer (DBT) directly into the KYC-authenticated accounts of the beneficiaries.

(c): NMDFC regularly engages independent third-party agencies to conduct impact studies across the country. These studies are carried out to assess the impact of NMDFC's schemes on targeted beneficiaries and evaluate the sustainability of projects and units financed under its loan programs, with respect to beneficiaries and units financed during the preceding two years. As per the study got conducted in 2018-19, 90% of the financed units across the country were found to be operational & sustainable. Most of the State Channelizing Agencies (SCAs) have reported grass root level recovery rates ranging from 70% to 100%, which in itself is testimony that these units are sustainable and profitable ventures, helping the beneficiaries in making timely repayments.

(d): To ensure the timely utilization of funds by State Channelizing Agencies (SCAs) for lending to ultimate beneficiaries and to prevent fund misuse, NMDFC is currently charging higher penal interest from the SCAs. The SCAs are required to refund any unutilized amounts to NMDFC in order to avoid the imposition of higher penal interest. This has ensured that most SCAs disburse loans to beneficiaries within the stipulated time frame of three months.

Furthermore, to ensure timely repayment of loans, SCAs are offered a 0.5% interest rebate. This has helped NMDFC maintain a high loan repayment rate (as on February 28, 2025), of 96.26% under the Term Loan scheme and 99.33% under the Micro Finance Scheme.

(e): As far as the National Minorities Development & Finance Corporation (NMDFC) is concerned, it only implements schemes such as Term Loans, Micro Finance, Education Loans, and the Virasat Scheme to empower youth and women from minority communities by providing concessional loans for educational purposes and self-employment income generation ventures. The NMDFC schemes are implemented through State Channelizing Agencies (SCAs) nominated by respective State Governments including West Bengal, Union Territory Administrations, as well as banking partners like Punjab Gramin Bank and Canara Bank.

As per regular third-party impact study undertaken, more than 90% of the units financed are found to be operational and successful.
