

**GOVERNMENT OF INDIA  
MINISTRY OF MINORITY AFFAIRS**

**Scheme for Grants-in-aid to State Channelising Agencies (SCAs) of National Minorities Development and Finance Corporation (NMDFC).**

**(Revised in May, 2013)**

**1.0 The Scheme**

**1.1** The Scheme shall be called the ‘Scheme for Grants-in-aid to State Channelising Agencies (SCAs) of National Minorities Development and Finance Corporation (NMDFC)’.

**1.2** Under the Scheme of Grants-in Aid, assistance will be provided to the SCAs directly by National Minorities Development & Finance Corporation (NMDFC). The assistance will not be available for creation of permanent assets or liabilities.

**2.0 Objectives of the Scheme:** - The objective of the Scheme is to strengthen the infrastructure of SCAs in order to improve their operations including recovery of loans.

**3.0 Eligibility Criteria for SCAs:-**

- (a) All SCAs performing well for NMDFC’s scheme will be eligible.
- (b) The SCA which is dormant/non-functional or does not draw funds from NMDFC for implementing its lending schemes, shall not be eligible for grants under this Scheme.
- (c) Where more than one SCA is in existence in any State/UT, all eligible SCAs can be funded under the grants-in-aid scheme on a pro-rata basis based on the number of minority beneficiaries serviced by each SCA.
- (d) The grants-in-aid will be provided on a first come first serve basis.

**4.0 Permitted Activities:**

The assistance will be available for the following activities:-

- (a) Awareness campaigns.
- (b) Improvement in Delivery System.
- (c) Loan Recovery
- (d) TA and DA for staff and officers of SCA limited to 5% of total GIA sanctioned.

**4.1** Under the above mentioned Heads, SCAs may submit their annual proposals in prescribed format to NMDFC and following expenditure shall qualify for assistance:

**(a) Awareness campaigns:**

- 1) Advertisement in the print and electronic media in the local vernacular.
- 2) Printing of Pamphlets/Brochures/Schemes.
- 3) Printing of application forms for beneficiaries.
- 4) Printing of pass books for maintenance of accounts of beneficiaries.
- 5) Uploading information of Products/artifacts and other details of minority artisans on the website of the SCA for promoting their sale.
- 6) Developing brochures/catalogues of products of minority master craft persons and National Awardees.
- 7) Participating in National/International fairs to assist and promote products of minority artisans.
- 8) Help in procuring premises in prominent localities in State Capital for sale of products of minority artisan/SHGs.

**(b) Improvement in Delivery System:**

- 1) Procure Computers/Printers & related peripherals if not already availed through earlier releases of GIA.
- 2) Computerize beneficiary records.
- 3) Set up Facilitation Centres and Toll-free Helpline in the local vernacular.
- 4) Development of Online Application System.
- 5) Web based monitoring and linkage with NMDFC at New Delhi.
- 6) Strengthening of appraisal system.
- 7) Impact/Review/Evaluation Studies.
- 8) Training of staff of SCA.

**(c) Recovery related expenditure:**

- SCAs can incur expenditure for the following activities:
- 1) Payment of wages to outsourced persons for effecting recoveries. However, deployment of Recovery Agents is not allowed.
  - 2) Legal expenses for recovery purposes.

**(d) Miscellaneous**

- 1) Not more than 5% of the total GIA sanctioned may be utilized for payment of TA and DA as per scales fixed by the SCA.
- 2) Purchase of vehicles is not permitted under the scheme.
- 3) Creation of any permanent assets or liability by the SCAs under GIA scheme is also not permitted.

## **5.0 Funding Pattern:**

**5.1** Under the GIA scheme, 100% Central Govt. assistance will be provided to SCAs by NMDFC. Ministry of Minority Affairs will transfer funds electronically in the account of NMDFC. NMDFC will further transfer the funds directly to SCAs.

**5.2** The criterion of assistance shall be the performance of SCAs in terms of drawal of funds from NMDFC for disbursement of loans to minorities. The grants-in-aid under this scheme shall be provided to those SCAs which are performing well. A certain uniform percentage of funds drawn by the SCAs for disbursal of loans may be provided to them as grants-in-aid under this Scheme but the total assistance to a SCA will not exceed Rs. 25 lakh annually.

**5.3** Funds would be released by the Ministry to NMDFC and NMDFC will then release funds directly to SCAs. NMDFC will be responsible for receiving proposals from SCAs, evaluating the same, release of funds to eligible SCAs and render consolidated utilization certificate of the funds by the SCAs annually to the Ministry.

## **6.0 Monitoring and Review:**

**6.1** Implementation of the scheme will be monitored by Ministry/NMDFC/Independent Agency authorized by Ministry/NMDFC. Selective on-the spot assessments will also be carried out by NMDFC and the Ministry. The Scheme will be reviewed in the 3<sup>rd</sup> year of the XII Plan.

**6.2** The projects run and administered by the SCAs on behalf of the NMDFC should be on-line and fully computerized. The data, status reports and loan –schedules should be available on a real-time basis on the web based application to be developed by NMDFC.

## **7.0 Time Lines:**

**7.1** SCAs will be required to submit their proposals under this scheme by 31<sup>st</sup> May of every financial year.

**7.2** NMDFC would examine these proposals of SCAs and submit a consolidated proposal, for release of funds, to the Ministry by 15<sup>th</sup> June.

**7.3** The consolidated proposal would be examined by the Ministry and fund be released by 30<sup>th</sup> June.

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