



भारत सरकार

राष्ट्रीय अनुसूचित जनजाति आयोग

GOVERNMENT OF INDIA  
NATIONAL COMMISSION FOR SCHEDULED TRIBES

(A Constitutional Commission set up under Art. 338A of the Constitution to investigate and monitor all matters relating to violation of rights and safeguards provided for STs.)

संख्या / No: Policy/6/DEV/MoMA/2012/RU-II

दिनांक / Date: 12/10/2012

To

The Secretary,  
Ministry of Tribal Affairs,  
Shastri Bhawan,  
New Delhi-110001

**Sub:** Note for the Cabinet on "Restructuring of National Minorities Development and Finance Corporation (NMDFC)" – Comments thereon. – Proposal of Ministry of Tribal Affairs.

**Ref: i)** MoMA OM No. 9-49/2011-NMDFC dt 14/09/2012 addressed to Ministry of Tribal Affairs seeking views/ comments on the above proposal.

**ii)** Ministry of Tribal Affairs letter No. 20025/7/2012-SG-II dt 05/10/2012 addressed to National Commission for Scheduled Tribes seeking views/ comments of the National Commission for Scheduled Tribes on the above proposal.

Sir,

I am directed to refer to the correspondence resting with the letter cited above and to say that the above matter was discussed in detail in the meeting of the National Commission for Scheduled Tribes, chaired by Dr. Rameshwar Oraon, Hon'ble Chairperson, NCST on 10/10/2012. Relevant extracts from the Summary Record of the meeting, relating to the observations and views/ advice/ recommendation of the National Commission for Scheduled Tribes in the subject matter, are reproduced below for your information and necessary action. Detailed Summary Records of the meetings of the Commission are also available on the Website of the Commission (<http://ncst.nic.in>).

**Agenda** Note for the Cabinet on "Restructuring of National Minorities Development and Finance Corporation (NMDFC)" – Comments thereon. – Proposal of Ministry of Tribal Affairs.

(1) The Commission noted that the proposal was to restructure the National Minorities Development and Finance Corporation (NMDFC) because the impact of NMDFC on Economic Empowerment has not been very significant due to low coverage and non-functioning of some State Channelising Agencies (State level Minorities Finance Corporations). As a result the funds were being surrendered every year due to non-drawal of the SCAs. It was noted that an Expert Committee of professional Bankers and financial experts was set up in July, 2006 to review the functioning of NMDFC and suggest an action plan for improving its operations. The framework suggested by the Expert Committee was entrusted to M/s IFCI Ltd. and Consultancy Monitoring Committee in succession for suggestions. The reports of these Consultants was examined by a High Level Committee constituted under the Chairmanship of Secretary (Minority Affairs). The HLC *inter-alia* recommended that two subsidiaries may be created viz; **Minority Partnership (MP)** and **National Minorities Finance Corporation (NMFC)** under the existing NMDFC as the holding Company and the NMDFC will be infused with higher equity capital contribution to the order of Rs. 7500 Crores from the Central Government as one time capital infusion. **NABARD** will act as a channelizing

agency for **Interest Subvention Scheme for Minorities** for lending through RRBs as per decision of Ministry of Finance. Various functions of Minority Partnership and National Minorities Finance Corporation have been prescribed by the HLC.

(2) The Commission further noted that the Ministry of Minority Affairs has already consulted the States and Union Territories on the above proposal. Accordingly, the Note for the Cabinet has been prepared for providing one time capital equity of Rs. 7500 Crores for NMDFC by Ministry of Finance. The Commission agreed to the proposal alongwith recommendation that the new set up of NMDFC will ensure flow of adequate benefits to the Scheduled Tribes belonging to Minority Communities, such as Islam, Budhism and Christanity etc.

2. As directed by the Commission Ministry of Tribal Affairs may forward the views/ comments of the Commission on the above proposal to the sponsoring Ministry with the advice that the Sponsoring Ministry should suitably incorporate in the proposal, the views/ comments/ recommendations made by the Commission and also mentioning about having consulted the Commission in the matter as per the Cabinet Secretariat Instructions dated 16/02/2012.

3. It is requested that a copy of the Final Note and/ or Legislative proposal submitted to the Cabinet for their consideration may be furnished by the sponsoring Ministry to this Commission urgently. It is also requested that a Note spelling out the manner of acceptance / reasons for non-acceptance, if any, by the Government, of the views/ comments/ recommendation of the National Commission for Scheduled Tribes in the subject matter may also be forwarded to this Commission, for incorporating the same in the Annual Report of the Commission to be submitted to the President of India under the provision of Article 338A(5)(d) of the Constitution.

Yours faithfully,



(Mrs. K. D. Bhansor)  
Deputy Director

Copy for information to

(i) The Secretary, Ministry of Minority Affairs, 11th Floor, Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi-110003, w. r. t. Ministry's OM cited above.

✓(ii) SSA(NIC) for uploading on the Website of NCST.

(iii) Assistant Director (Coordination)



Deputy Director