NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION
(GOVT. OF INDIA UNDERTAKING, MINISTRY OF MINORITY AFFAIRS)

FREQUENTLY ASKED QUESTIONS (AS OF 08.07.2026)

QUESTION 1: What are the aims and objectives of the National Minorities Development and Finance Corporation (NMDFC), and when was it established?

ANSWER: **NMDFC was incorporated on 30th September 1994** with the objective of promoting economic and developmental activities for the benefit of the "backward sections" among the notified minorities. The focus is specifically on occupational groups and women.

QUESTION 2: Who are the promoters of NMDFC?

ANSWER: NMDFC is promoted jointly by the Government of India and the respective State Governments/UT Administrations. Initially, the State Governments of Andhra Pradesh, Bihar, Karnataka, and Uttar Pradesh, along with the Central Government, played a key role in its promotion.

QUESTION 3: What activities does NMDFC engage in?

ANSWER:

1. Providing term loans for income-generating activities at concessional interest rates through State Channelizing Agencies (SCAs).
2. Meeting credit needs of artisans, including working capital and fixed capital requirements under the Virasat scheme.
3. Offering microfinance to the poorest minority individuals via SCAs, NGOs, and Self-Help Groups (SHGs).
4. Providing educational loans to minority individuals.
5. Assisting artisans and craft persons with marketing their products.

QUESTION 4: Who are the target groups for NMDFC assistance?

ANSWER: NMDFC targets individuals from minority communities as defined by the National Minorities Commission Act, 1992, which includes Muslims, Sikhs, Buddhists, Christians, and Parsis. The Government of India has also included the Jain community since January 27, 2014. Since September 2014, the income limit was raised to Rs. 6.00 lakhs, and as of November 13, 2020, it was further increased to Rs. 8.00 lakhs.

The annual family income eligibility limit under Credit Line 1 has been revised to Rs. 3,00,000, in rural or urban Area. This update was communicated through letter no. NMDFC-20011/1/2024-NMDFC_MoMA-(C-143901) dated September 12, 2024.

	Annual Family Income Ceiling under Credit Line-1	
	Existing	Revised
Rural	Upto Rs.98,000	Upto Rs. 3,00,000 irrespective of Rural and Urban Area.
Urban	Upto Rs.1,20,000	

QUESTION 5: What are the authorized and paid-up share capitals of NMDFC?

ANSWER: NMDFC's authorized share capital is Rs. 3,000 crores, with contributions of 73% (Rs. 2,190 crores) from the Central Government, 26% (Rs. 780 crores) from various State/UT Governments, and 1% (Rs. 30 crores) from individuals/organizations. As of April, 2026, the paid-up share capital is Rs. 2,641.00 crores, including Rs. 2,190 crores from the Government of India and Rs. 450.99 crores from State/UT Governments. A detailed table is provided as under:-

Amt in Rs/Crs

S.No.	Shareholders	%-age Shares	Share in Authorized Share Capital	Actual Equity Contribution	%age contribution	Balance Required to be Contributed
1	**GOI**	73%	2,190.00	2,190.00	100.00	-
2	**State/UT Govt.**	26%	780.00	450.99	58.00	329.01
3	**Others**	1%	30.00	0.01	0.03	29.99
	Total	**100%**	**3,000.00**	**2,641.00**	**88.03**	**359.00**

QUESTION 6: Why are states required to contribute to NMDFC's equity, unlike other apex corporations?

ANSWER: NMDFC operates as a joint venture between the States and the Central Government, necessitating state contributions to its equity.

QUESTION 7: What is the earmarked share of each State/UT Government for NMDFC equity, and how much has been contributed?

ANSWER: Each State/UT Government's share in NMDFC equity is determined based on its minority population proportion. Details of the earmarked shares and contributions received as of 30th June 2026, is given as under:-

Amt. in Rs.

S.No.	NAME OF THE STATE/UT	EQUITY TO BE CONTRIBUTED BY STATE/UT	ACTUAL EQUITY CONTRIBUTION RECEIVED	BALANCE
1	ANDAMAN & NICOBAR	**0.45**	0.00	**0.45**
2	ANDHRA PRADESH	**16.23**	7.34	**8.88**
3	ARUNACHAL PRADESH	**1.53**	0.00	**1.53**
4	ASSAM	**38.30**	16.32	**21.98**
5	BIHAR	**56.88**	20.72	**36.16**
6	CHANDIGARH	**0.78**	0.78	**0.00**
7	CHHATTISGARH	**3.89**	3.89	**0.00**
8	DADRA NAGAR HAVELI	**0.05**	0.01	**0.04**

9	DAMAN & DIU	**0.07**	0.00	**0.07**
10	DELHI	**9.61**	9.60	**0.00**
11	GOA	**1.87**	1.87	**0.00**
12	GUJARAT	**20.34**	20.34	**0.00**
13	HARYANA	**10.00**	10.00	**0.00**
14	HIMACHAL PRADESH	**1.13**	1.14	**0.00**
15	J&K	**29.38**	29.38	**0.00**
16	JHARKHAND	**20.23**	20.23	**0.00**
17	KARNATAKA	**32.45**	32.45	**0.0**
18	KERALA	**57.34**	57.34	**0.00**
19	LAKSHADWEEP	**0.24**	0.00	**0.24**
20	MADHYA PRADESH	**18.00**	2.97	**15.03**
21	MAHARASHTRA	**71.57**	43.42	**28.15**
22	MANIPUR	**3.84**	0.25	**3.59**
13	MEGHALAYA	**7.15**	0.00	**7.15**
24	MIZORAM	**3.52**	3.52	**0.00**
25	NAGALAND	**7.53**	2.20	**5.33**
26	ORISSA	**6.95**	1.12	**5.83**
27	PONDICHERRY	**0.52**	0.60	**0**
28	PUNJAB	**63.03**	10.60	**52.43**
29	RAJASTHAN	**23.43**	23.43	**0.00**
30	SIKKIM	**0.81**	0.70	**0.11**
31	TAMILNADU	**29.94**	29.94	**0.00**
32	TELANGANA	**17.67**	0.00	**17.67**
33	TRIPURA	**1.88**	1.88	**0.00**
34	UTTAR PRADESH	**131.48**	7.00	**124.48**
35	UTTARANCHAL	**5.20**	5.20	**0.00**
36	WEST BENGAL	**86.74**	86.74	**0.00**
	TOTAL	**780.00**	**450.99**	**329.01**

QUESTION 8: How does NMDFC reach its beneficiaries?

ANSWER: NMDFC reaches beneficiaries through:

1. State Channelizing Agencies (SCAs) appointed by State/UT Governments, typically operating district-level offices for application processing.
2. A network of NGOs/SHGs for micro-credit.
3. Branches of Canara Bank, with agreements in place to implement NMDFC schemes, and recently, similar agreements with Indian Bank, Union Bank of India, and Punjab Gramin Bank for broad base scheme implementation.

QUESTION 9: How many States and UTs have appointed Channelizing Agencies for NMDFC?

ANSWER: NMDFC has nominated 48 State Channelizing Agencies (SCAs) across 27 States and 8 UTs for implementing its schemes. Out of these, 44 SCAs are currently operational (28 functional SCAs and 16 non-

functional), while 4 are non-operational. Below is a list of the operational and non-operational SCAs as appointed by their respective States and UTs:

MINORITIES DEVELOPMENT & FINANCE CORPORATIONS				
SR. No.	**STATES**	**YEAR OF STARTING NMDFC PROG.**	**SCAs**	**CHANNELIZING AGENCY**
1	ANDHRA PRADESH	1995-96	APSMFC	ANDHRA PRADESH STATE MINORITIES FINANCIAL CORPN.
2	ASSAM	1998-99	AMDFC	ASSAM MINORITIES DEVELOPMENT & FINANCE CORPN.
3	BIHAR	1997-98	BSMFC	BIHAR STATE MINORITIES FINANCIAL CORPN.
4	GOA	2020-21	GSMFDC	GOA STATE MINORITIES FINANCE & DEVELOPMENT CORPORATION
5	GUJARAT	1999-2000	GMFDC	GUJARAT MINORITIES FINANCE AND DEVELOPMENT CORPORATION
6	HIMACHAL PRADESH	1997-98	HPMFDC	H.P. MINORITIES FINANCE AND DEVELOPMENT CORPORATION
7	JHARKHAND	2019-20	JSMFDC	JHARKHAND STATE MINORITIES FINANCE & DEVELOPMENT CORPORATION
8	KARNATAKA	1994-95	KMDC	KARNATAKA MINORITIES DEV. CORPN.
9	KERALA	2014-15	KSMDFC	KERALA STATE MINORITY DEVELOPMENT & FINANCE CORPORATION
10	MAHARASHTRA	2001-02	MAAAVN	MAULANA AZAD ALPSANKHYAK AARTHIK VIKAS NIGAM
11	RAJASTHAN	2001-02	RMFDCC	RAJASTHAN MINORITIES FINANCE AND DEVELOPMENT COOP. CORPN.
12	TAMIL NADU	2003-04	TAMCO	TAMIL NADU MINORITIES ECONOMIC DEVELOPMENT CORPORATION
13	TRIPURA	1997-98	TMCDC	TRIPURA MINORITIES COOP. DEV. CORPN.
14	UTTAR PRADESH	1994-95	UPMFDC	U.P. MINORITIES FINANCIAL DEV. CORPN.
15	UTTRAKHAND	2002-03	UAKTWVN	UTTRAKHAND ALPSANKHYAK KALYAN TATHA WAKF VIKAS NIGAM
16	WEST BENGAL	1996-97	WBMDFC	WEST BENGAL MINORITIES DEV. & FINANCE CORPN.

17	MAHARASHTRA	2026-27	JMDFC	JAIN MINORITY DEV. FINANCE CORPORATION

STATE SC & ST DEVELOPMENT CORPORATIONS				
SR. No.	**STATES**	**YEAR OF STARTING NMDFC PROG.**	**SCAs**	**CHANNELIZING AGENCY**
1	CHANDIGARH	1997-98	CSCSTFDC	CHANDIGARH SCHEDULED CASTE, BACKWARD CLASSES & MINORITIES FINANCIAL & DEVELOPMENT CORPORATION
2	CHHATISGARH	2002-03	CSACFDC	CHATTISGARH STATE ANTYAVASAYEE COOPERATIVE FINANCE & DEVELOPMENT CORPORATION
3	DELHI	2002-03	DSCFDC	DELHI SC/ST/OBC MINORITIES & HANDICAPPED FINANCIAL & DEV. CORPN.
4	JAMMU & KASHMIR (UT)	1995-96	JKSCSTFDC	J&K SCs/STs & BCs DEVELOPMENT CORPN.
5	SIKKIM	2020-21	SABCOO	SIKKIM SC/ST AND OTHER BACKWARD CLASSES DEVELOPMENT CORPORATION

STATE BACKWARD CLASSES DEVELOPMENT CORPORATIONS				
SR. No.	**STATES**	**YEAR OF STARTING NMDFC PROG.**	**SCAs**	**CHANNELIZING AGENCY**
1	KERALA	1996-97	KSBCDC	KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION
2	MADHYA PRADESH	1995-96	MPBCDFC	M.P. BACKWARD CLASSES & MINORITIES FINANCE AND DEVELOPMENT CORPORATION
3	MANIPUR	2004-05	MOBEDS	MANIPUR MINORITIES AND OTHER BACKWARD CLASSES ECONOMIC DEV. SOCIETY
4	HARYANA	1995-96	HBCKN	HARYANA BACKWARD CLASSES & ECONOMICALLY WEAKER SECTIONS KALYAN NIGAM
5	PUDUCHERRY	2000-01	PBCMDC	PUDUCHERRY BACKWARD CLASSES & MINORITIES DEV. CORPORATION
6	PUNJAB	1995-96	BACKFINCO	PUNJAB STATE BACKWARD CLASSES LAND DEV. AND FINANCE CORPN.
7	ODISHA	2011-12	OBCFDCC	ODISHA BACKWARD CLASSES FINANCE DEVELOPMENT COOPERATIVE CORPORATION

STATE WOMEN'S DEVELOPMENT CORPORATIONS				
SR. No.	**STATES**	**YEAR OF STARTING NMDFC PROG.**	**SCAs**	**CHANNELIZING AGENCY**
1	KERALA	1994-95	KSWDC	KERALA STATE WOMEN'S DEVELOPMENT CORPORATION
2	JAMMU & KASHMIR (UT)	1995-96	JKWDC	J&K STATE WOMEN'S DEV. CORPN.

HANDLOOM & HANDICRAFTS CORPORATIONS				
SR. No.	**STATES**	**YEAR OF STARTING NMDFC PROG.**	**SCAs**	**CHANNELIZING AGENCY**
1	NAGALAND	2002-03	NHHDC	NAGALAND HANDLOOM & HANDICRAFTS DEVELOPMENT CORPORATION

OTHER AGENCIES				
SR. No.	**STATES**	**YEAR OF STARTING NMDFC PROG.**	**SCAs**	**CHANNELIZING AGENCY**
1	HARYANA	2009-10	MDA	MEWAT DEVELOPMENT AGENCY
2	JAMMU & KASHMIR (UT)	2010-11	JKEDI	J&K ENTREPRENEURSHIP DEVELOPMENT INSTITUTE
3	MIZORAM	1996-97	MCAB	MIZORAM COOPERATIVE APEX BANK
4	MIZORAM	1997-98	ZIDCO	ZORAM INDUSTRIAL DEVELOPMENT CORPORATION
5	KERALA	1998-99	KSCFFDC	KERALA STATE COOPERATIVE FEDERATION FOR FISHERIES DEVELOPMENT
6	KERALA	2024-25	HDCKL	HANDICRAFTS DEVELOPMENT CORPORATION OF KERALA LTD.
7	NAGALAND	1997-98	NIDC	NAGALAND INDUSTRIAL DEVELOPMENT CORPN.
8	NAGALAND	2009-10	NSSWB	NAGALAND STATE SOCIAL WELFARE BOARD
9	LADAKH (UT)	2020-21	JKLFC	JAMMU & KASHMIR AND LADAKH FINANCE CORPORATION

10	LADAKH (UT)	2023-24	SIDCO	SINDHU INFRASTRUCTURE DEVELOPMENT CORPORATION (SIDCO)
11	Arunachal Pradesh	2024-25	APSCAB	ARUNACHAL PRADESH STATE COOP. APEX BANK
12	Meghalaya	2025-26	MIDC	Meghalaya Industrial Development Corporation

Non-operational SCAs of NMDFC		
SR. No.	**UNION TERRITORIES**	**Name of the Non-Functional UTs**
1	Andaman & Nicobar	Andaman & Nicobar Industrial Dev. Corporation
2	Dadra & Nagar Haveli and Daman & Diu	Dadra & Nagar Haveli SC/ST Financial Corporation
		Daman & Diu SC/ST Financial Corporation
3	Kerala	Handicrafts Development Corporation of Kerala
4	Lakshadweep	Lakshadweep Development Corporation

QUESTION 10
Which State/UT has not yet nominated an SCA for NMDFC?

ANSWER
The State of Telangana has not yet nominated an SCA for NMDFC.

QUESTION 11
Which States/UTs have not utilized NMDFC assistance to date?

ANSWER
The following States/UTs have not utilized NMDFC assistance to date:

UTs: Dadra & Nagar Haveli, Lakshadweep, Daman and Diu, Andaman and Nicobar

QUESTION 12
How many SCAs are operational, and how many are non-functional?

ANSWER
Out of the 44 operational SCAs, there are 28 functional SCAs and 16 non-functional SCAs. The list of functional State Channelizing Agencies (SCAs) of NMDFC is as follows:

Functional SCAs		
S. No.	**Name of State**	**Name of the Functional SCAs**
1	Arunachal	Arunachal Pradesh State Coop. Apex Bank

2	Goa	Goa State Minorities Finance & Development Corporation
3	Gujarat	Gujarat Minorities Finance and Development Corporation
4	Haryana	Haryana Backward Classes & Economically Weaker Section Kalyan Nigam
5	Himachal Pradesh	H.P. Minorities Finance and Development Corporation
6	Jharkhand	Jharkhand State Minorities Finance & Development Corporation
7-11	Kerala	Kerala State Backward Classes Development Corporation
		Kerala State Women's Development Corporation
		Kerala State Cooperative Federation for Fisheries Development
		Kerala State Minorities Development Finance Corporation
		Handicrafts Development Corporation of Kerala Ltd.
12	Maharashtra	Maulana Azad Alpsankhyak Aarthik Vikas Nigam
13	Meghalaya	Meghalaya Industrial Development Corporation
14	Mizoram	Mizoram Cooperative Apex Bank
15	Punjab	Punjab State Backward Classes Land Development & Finance Corporation
16	Rajasthan	Rajasthan Minorities Finance and Development Corporation
17	Sikkim	Sikkim SC/ST and Other Backward Classes Development Corporation
18	Tamil Nadu	Tamil Nadu Minorities Economic Development Corporation
19	Tripura	Tripura Minorities Cooperative Development Corporation
20	Uttarakhand	Uttranchal Alpsankhyak Kalyan Tatha Wakf Vikas Nigam
21	West Bengal	West Bengal Minorities Development and Finance Corporation

Functional SCAs (Union Territories)		
S. No.	**Name of UT**	**Name of the Functional SCAs**
22	Chandigarh	Chandigarh SCBC & Minorities Financial & Development Corporation Ltd.
23	Delhi	Delhi SC/ST/OBC & Minorities & Handicapped Financial & Development Corporation Ltd.
24-28	Jammu & Kashmir	J&K Women's Development Corporation
		J&K Entrepreneurship Development Institute (JKEDI)
		J&K SCs/STs & BCs Development Corporation

		Jammu & Kashmir and Ladakh Finance Corporation
		Sindhu Infrastructure Development Corporation (SIDCO)

Non-Functional SCAs		
S. No.	**Name of the State/UT**	**Name of the Non-Functional SCAs**
1	Andhra Pradesh	Andhra Pradesh State Minorities Financial Corporation
2	Assam	Assam Minorities Development & Finance Corporation
3	Bihar	Bihar State Minorities Financial Corporation
4	Chhattisgarh	Chhattisgarh State Antyavasayee Cooperative Finance & Development Corporation
5	Haryana	Mewat Development Agency
6	Mizoram	Zoram Industrial Development Corporation
7	Madhya Pradesh	M.P. Backward Classes & Minorities Finance and Development Corporation
8	Manipur	Manipur Minorities & Other Backward Classes Economic Development Society
9	**Maharashtra**	**Jain Minority Development Finance Corporation**
10	Karnataka	Karnataka Minorities Development Corporation
11-12	Nagaland	Nagaland Handloom & Handicrafts Development Corporation
		Nagaland Industrial Development Corporation
13		Nagaland State Social Welfare Board
14	Odisha	Orissa Backward Classes Finance Development Cooperative Corporation
15	Puducherry	Puducherry Backward Classes & Minorities Development Corporation
16	Uttar Pradesh	Uttar Pradesh Minorities Financial Development Corporation

QUESTION 13
How many NMDFC SCAs are Non-Operational, and what are the reasons?

ANSWER
Out of the 48 SCAs, 4 are currently Non-Operational. This is because the respective State Governments or SCAs have not fulfilled the necessary formalities required to access funds from NMDFC.

List of Non-Operational SCAs of NMDFC:

UNION TERRITORIES			
S. No.	**Name of the UT**	**Name of the Non-Functional UTs**	**Reasons for Non-Functional**
1	Andaman & Nicobar	Andaman Nicobar Industrial Dev. Corp.	SCA has not signed the General Loan Agreement with NMDFC, and government order for guarantee is awaited from the UT Administration.
2	Dadra & Nagar Haveli and Daman & Diu	Dadra & Nagar Haveli SC/ST Financial Corporation	--- Same as above ---

		Daman & Diu SC/ST Financial Corporation	--- Same as above ---
3	Kerala	HANDICRAFTS DEVELOPMENT CORPORATION OF KERALA LTD.	SCA has signed the General Loan Agreement with NMDFC, however, Government order for guarantee is awaited from state Government.
4	Lakshadweep	Lakshadweep Development Corporation	SCA has not signed the General Loan Agreement with NMDFC and Government order for guarantee is also awaited from the UT Administration.

QUESTION 14: What is the interest rate structure for NMDFC's schemes?

ANSWER
Credit Line-1

- Term loans up to ₹20,00,000 are offered at an interest rate of 6% per annum.
- Educational loans are available up to ₹20,00,000 for domestic courses and up to ₹30,00,000 for international courses, at an interest rate of 3% per annum.
- Under the Micro Credit scheme, loans up to ₹1,00,000 are provided to each member of a Self Help Group (SHG), and up to ₹20,00,000 to a group of 20 women, at an interest rate of 7% per annum.

Credit Line-2

- Term loans up to ₹30,00,000 are offered at an interest rate of 8% per annum for male beneficiaries and 6% per annum for female beneficiaries.
- Educational loans are available up to ₹20,00,000 for domestic courses and up to ₹30,00,000 for international courses, with an interest rate of 8% per annum for male beneficiaries and 5% per annum for female beneficiaries.
- Under the Micro Credit scheme, loans up to ₹1,50,000 are provided to each member of a Self Help Group (SHG), and up to ₹30,00,000 to a group of 20 women, at an interest rate of 10% per annum for male beneficiaries and 8% per annum for female beneficiaries.

QUESTION 15
What are the financial assistance schemes of NMDFC?

ANSWER:
NMDFC offers concessional credit through two main streams:

- **Credit Line 1**: This stream provides concessional credit based on annual family income limits of up to ₹3,00,000 for both Rural areas & Urban areas.
- **Credit Line 2**: This concessional credit is available to minority communities with an annual family income of up to ₹6,00,000, following the "Creamy Layer" criterion set by the Government of India. This limit has been increased from ₹6,00,000 to ₹8,00,000 as of 13/11/2020.

A. Lending Schemes

i. **Term Loan Scheme**
This scheme is aimed at individual beneficiaries and is executed through the State Channelizing Agencies (SCAs).
The details of the Term Loan Scheme under Credit Line 1 and Credit Line 2 are as follows:

No.	Parameters	Credit Line -1	Credit Line -2

1	**Loan Amount**	Up to Rs. 20.00 Lakhs	Up to Rs. 30.00 Lakhs
2	**Rate of Interest for Beneficiaries**	6% p.a.	8% p.a. for male beneficiaries. 6% p.a. for female beneficiaries
3	**Rate of Interest for SCAs**	3% p.a.	5% p.a. for male beneficiaries. 3% p.a. for female beneficiaries
4	**Moratorium Period**	6 months	6 months
5	**Repayment Period for Beneficiaries**	5 years	5 years
6	**Repayment Period for SCAs**	8 years	8 years
7	**Means of Financing NMDFC: SCA: Beneficiary Contribution**	90:05:05	90:05:05
8	**Utilization Period**	3 Months	3 Months

ii. VIRASAT SCHEME:

The VIRASAT Scheme aims to fulfill the credit needs of artisans by providing funds for both working capital and fixed capital requirements, including the purchase of equipment, tools, and machinery. Under this scheme, artisans can secure a maximum loan of up to Rs. 10.00 lakhs. The details of the scheme are outlined as follows:

Sl. No.	**Parameters**	**SCHEME DETAIL**	
		Credit Line 1	Credit Line 2
1	Loan Amount	Up to Rs. 10.00 Lakhs	Up to Rs.10.00 Lakhs
2	Rate of Interest for Artisans	5% p.a. for males & 4% p.a. for females	6% p.a. for males & 5% p.a. for females
3	Rate of Interest payable by SCAs to NMDFC	3% p.a. for males & 2% p.a. for females	4% p.a. for males & 3% p.a. for females
4	Moratorium period	6 months	6 months
5	Repayment period for Artisans	5 years	5 years
6	Repayment period for the SCAs	8 years	8 years
7	Pattern of Financing; NMDFC: SCA/Beneficiaries contribution	90:10 (with minimum 5% from Artisans)	90:10 (with minimum 5% from Artisans)
8	Utilization Period	3 Months	3 Months

iii. Educational Loan Scheme

This scheme targets individual beneficiaries and is administered through SCAs. The NMDFC provides Educational Loans to support job-oriented education for eligible individuals from Minority communities. Loans under this scheme are available for 'Technical and Professional courses' with a duration of up to five years. The details of the Education Loan Scheme under Credit Line -1 and Credit Line -2 are as follows:

Sr. No.	**Parameters**	**Scheme Details as per Credit Line - 1**	**Scheme Details as per Credit Line - 2**

1	Loan Amount Maximum	- Up to Rs. 20.00 Lakhs for 'Professional & Job Oriented Degree Courses' in India with a maximum duration of 5 years @ Rs. 4.00 Lakhs p.a. - Up to Rs. 30.00 Lakhs for 'Courses Abroad' with a maximum duration of 5 years @ Rs. 6.00 Lakhs per annum.	- Up to Rs. 20.00 Lakhs for 'Professional & Job Oriented Degree Courses' in India with a maximum duration of 5 years @ Rs. 4.00 Lakhs p.a. - Up to Rs. 30.00 Lakhs for 'Courses Abroad' with a maximum duration of 5 years @ Rs. 6.00 Lakhs per annum.
2	Rate of Interest for beneficiaries	3% p.a.	8% p.a. for male beneficiaries 5% p.a. for female beneficiaries
3	Rate of Interest for SCA	1% p.a.	2% p.a.
4	Moratorium period	6 months after completion of the course or obtaining a job, whichever is earlier	6 months after completion of the course or obtaining a job, whichever is earlier
5	Repayment period for beneficiaries	5 years	5 years
6	Repayment period for the SCA	5 years	5 years
7	Means of Financing NMDFC : SCA : Beneficiary contribution	90:05:05	90:05:05

iv. Micro Financing Scheme

The Micro Financing Scheme provides micro-credit to members of Self Help Groups (SHGs), particularly minority women in remote villages and urban slums, who have limited access to formal banking and NMDFC programs through its SCAs. The scheme requires beneficiaries to be organized into SHGs, fostering a culture of thrift and credit, even in small amounts. The objective is to offer micro-credit to the most impoverished individuals via SHGs. This informal loan scheme ensures swift delivery of funds directly to the beneficiaries.

The details of the Micro Financing Scheme under Credit Line -1 and Credit Line -2 are as follows:

Sr. No.	**Parameters**	**Scheme Details as per Credit Line-1**	**Scheme Details as per Credit Line-2**
1	Loan Amount Limit	Up to Rs.1.00 lac per member of SHG Up to Rs.20.00 lacs for a group of 20 members in one SHG	Up to Rs.1.50 lac per member of SHG Up to Rs.30.00 lacs for a group of 20 members in one SHG
3	Rate of Interest Charged from SCAs/NGOs by NMDFC	1% p.a.	4% p.a. for male beneficiaries 2% p.a. for women beneficiaries
5	Rate of Interest Charged from Beneficiaries/SHGs	7% p.a.	10% p.a. for male beneficiaries 8% p.a. for women beneficiaries

8	Moratorium Period	3 months	3 months
10	Repayment Period for the Beneficiaries	3 years	3 years
11	Repayment Period for the SCAs	4 years	4 years
12	Utilization Period for the SCAs	3 months	3 months
13	Means of Financing NMDFC: SCA & Beneficiary	90:10 (with minimum 5% from Beneficiaries)	90:10 (with minimum 5% from Beneficiaries)

B. Promotional Schemes

Marketing Assistance Scheme

The Marketing Assistance Scheme is designed to support individual crafts-persons, NMDFC beneficiaries, and Self Help Groups (SHGs). It is executed through both State Channelizing Agencies (SCAs) and Non-Governmental Organizations (NGOs). The scheme aims to assist crafts-persons in marketing and selling their products at competitive prices. NMDFC provides support for organizing State and District-level exhibitions at selected locations, where handloom and handicraft products created by Minority crafts-persons are showcased and sold.

These exhibitions also facilitate "buyer-seller meets," which are highly beneficial for product development and market expansion, both domestically and for exports. NMDFC offers grants for organizing these exhibitions according to specific guidelines and after a thorough appraisal of the proposals, as detailed below:

Sr. No.	**Parameters**	**Details**
1	Cost for Organizing Exhibition at SCA Level	A Class Cities: Rs. 22,000/stall B Class Cities: Rs. 18,000/stall C Class Cities: Rs. 14,000/stall All metros are A Class cities, all State Capitals other than metros are B Class cities, and District headquarters/other cities are C Class cities.
2	Travelling Allowance	2nd class sleeper or ordinary bus fare (actual expenses) by the shortest route.
3	Fixed Dearness Allowance to One Artisan/Beneficiary/SHG Member	A Class Cities: Rs. 700 B Class Cities: Rs. 600 C Class Cities: Rs. 500
4	Participants	60 local artisans/beneficiaries and 20 artisans/beneficiaries from outside the state.
5	Number of Stalls in Each Exhibition	40 stalls. If fewer stalls are set up, the expenditure will be adjusted proportionately.
6	Duration of Exhibition	15 days. If the exhibition is held for fewer days, the expenditure will be adjusted proportionately.
7	Sharing of Cost of Exhibition	NMDFC covers 90% of the total cost, and SCAs cover 10%.

"Hunar Haat" Exhibitions

The Ministry tasked NMDFC with organizing HunarHaat under the USTTAD scheme to provide a marketing platform and promote traditional arts and cuisines of minority artisans and culinary experts. Over the past 5-6 years, starting from 2016-17, NMDFC has organized 20 HunarHaat events in various locations, including:

- IITF: Pragati Maidan, New Delhi (2016, 2017, 2018, 2019, 2021)
- Baba Kharak Singh Marg, Connaught Place, New Delhi (2017, 2018, 2019)
- Gandhi Thidal, Puducherry (2017, 2018)
- Islam Gymkhana, Mumbai
- Shilp Gram, Allahabad
- Bandra Kurla Complex, Mumbai
- Jawahar Kala Kendra, Jaipur
- Sabarmati River Front, Ahmedabad
- People's Plaza, Necklace Road, Hyderabad
- Jawahar Nagar, Indore
- HARMU Ground, Ranchi
- Maharaja College Ground, Chamarajapuram
- Veterinary College Ground, Khanapara, Guwahati

These exhibitions showcased handmade products and traditional food items, which received high praise from visitors and dignitaries. Stalls were provided free of cost, and participants were given TA/DA. The HunarHaat has successfully established itself as a prominent brand, receiving acclaim from both domestic and international media.

LOK SAMVARDHAN PARV

Lok Samvardhan Parv (लोक संवर्द्धन पर्व)

Lok Samvardhan Parv is a public outreach and development programme of Ministry of Minority Affairs that showcases **handicraft, handloom, and culinary products** created by talented minority artisans

The Ministry of Minority Affairs has successfully organised **five Lok Samvardhan Parv (LSP)** events across different states of the National to promote government welfare schemes, cultural heritage, and community development. Details of the events are as follows:

Sl. No.	Venue	From	To
1	Dilli Haat, INA, New Delhi	16.07.2024	31.07.2024
2	BKS Marg, New Delhi	27.01.2025	02.02.2025
3	Convocation Ground, University of Kashmir, Srinagar	05.04.2025	13.04.2025
4	Birsa Munda Lawns, Gandhi Darshan, Rajghat, New Delhi	11.06.2025	15.06.2025
5	Marine Drive Ground, Kochi, Kerala	26.08.2025	04.09.2025

Artisans and culinary experts from various states participated in these events. A major attraction was the exhibition of exquisite handicraft and handloom products, which not only showcased the rich artistic heritage of India's minority communities but also encouraged entrepreneurship and economic empowerment.

Each event featured **informative sessions, cultural performances, and interactive exhibits**, creating meaningful connections between government agencies, artisans, and the public. By combining tradition with progress, **Lok Samvardhan Parv** reflects the government's strong commitment to **inclusive growth** and **cultural preservation**.

QUESTION 16
Does NMDFC require any security for its loans?

ANSWER:
Yes, NMDFC Loans to State Channelizing Agencies are secured against a guarantee from the State Government/UT Administration.

QUESTION 17
What type of security is required from beneficiaries to obtain funds under NMDFC schemes?

ANSWER:
NMDFC recommends that SCAs may require beneficiaries to provide security for the loans they receive. The specific type of security is determined by the SCAs, with the aim of ensuring that the requirements are manageable for the beneficiaries while also providing adequate leverage for loan recovery. Generally, the following security provisions are advised:

Security Requirements for Loans	
Loan Amount	**Type of Security**
a) Loans up to Rs. 1,00,000	Self-Guarantee & Post-Dated Cheques
b) Loans exceeding Rs. 1,00,000 and up to Rs. 5,00,000	Guarantee from one employee of PSU/Govt./Bank or one income tax payer/Public Representative & Post-Dated Cheques
c) Loans exceeding Rs. 5,00,000	Guarantee from two employees of Govt./PSU/Bank or two income tax payers/Public Representatives, or Guarantee from the owner of property pledged as collateral, OR Collateral by Mortgage of landed or immovable property of equivalent value & Post-Dated Cheques

SCAs are also encouraged to join the Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE) to assist beneficiaries who cannot provide collateral for NMDFC loans. If beneficiaries opt for this option, the interest rate may be higher to cover the commission fees payable to CGTMSE.

QUESTION 18: What are the sectoral categories for NMDFC financial assistance?

ANSWER: NMDFC provides funding for viable and bankable projects with a maximum cost of Rs. 20 lakh under Credit Line-1 and Rs. 30 lakh under Credit Line-2. The funding can be categorized into the following sectors:

Sectoral Groups for NMDFC Financial Assistance	
Sector	**Description**
1. AGRICULTURE & ALLIED	Includes schemes like animal breeding, poultry farming, and bee-keeping.
2. TECHNICAL TRADES	Covers trades at village/taluka levels such as electrician, plumber, sheet metal work, TV/Radio repair, motor mechanic, and more.
3. SMALL BUSINESS	Encompasses small businesses like tea/pan shops, egg sales, general provision shops, laundry services, and more.
4. ARTISAN AND TRADITIONAL OCCUPATIONS	Includes embroidery, wood carving, safety matchbox manufacturing, papad and pickle making, and ready-made garments.

5. TRANSPORT & SERVICES SECTOR	Includes services like auto-rickshaw, cycle rickshaw, tempo, bullock cart hiring, and cycle rental services.

QUESTION 19: How much funds has been disbursed under NMDFC concessional Loan Schemes?

ANSWER: Since its inception in 1994, NMDFC has disbursed a total of Rs.10684.47 crore to 2810522 beneficiaries from minority communities. A detailed statement showing year wise fund disbursement and the number of beneficiaries assisted up to 08th July 2026 is given below:-

Amt. Rs. in Crores.

F.Y.	Amt. of Concessional Loan Disbursed	No. of Beneficiaries.
1994-1995	30.04	9570
1995-1996	6.49	4797
1996-1997	44.23	10749
1997-1998	23.41	4932
1998-1999	59.82	17614
1999-2000	61.30	29869
2000-2001	73.44	31672
2001-2002	96.84	46038
2002-2003	73.94	23888
2003-2004	86.67	27599
2004-2005	139.01	46586
2005-2006	108.12	34301
2006-2007	112.75	47783
2007-2008	144.12	47733
2008-2009	130.73	51198
2009-2010	197.75	104595
2010-2011	233.27	158510
2011-2012	271.37	105874
2012-2013	370.77	102302
2013-2014	325.46	75966
2014-2015	431.20	108752
2015-2016	473.29	86103
2016-2017	503.32	108588
2017-2018	570.83	129489
2018-2019	603.66	134862
2019-2020	602.50	136649
2020-2021	650.41	148856
2021-2022	700.00	160292
2022-2023	881.70	205777
2023-2024	765.45	184863
2024-2025	860.43	200279
2025-2026	900.11	207006
2026-2027 (08th July 2026)	152.04	17430
Grand Total	10684.47	2810522

STATE WISE DISBURSEMENT AS ON 08.07.2026

Amt. Rs. in Crore

□□□. □□. Sl. No	□□□□□ / □□□□□□ □□□□□ □□□□□□ State /UT	□□□□□□□ □□ Micro Credit		□□□□ □□ Term Loan		□□□ TOTAL	
		□□□□ Amt.	□□□□□□ □□ Benf.	□□□□ Amt.	□□□□□□ □□ Benf.	□□□□ Amt.	□□□□□□ □□ Benf.
1	ANDHRA PRADESH	6.69	21871	53.31	30309	60.01	52180
2	ARUNANCHAL PRADESH	0.02	42	1.90	127	1.92	169
3	ASSAM	5.15	7713	7.87	1740	13.02	9453
4	BIHAR	1.20	6084	50.97	13136	52.17	19220
5	CANARA BANK	0.00	0	84.43	6855	84.43	6855
6	CHANDIGARH	0.00	0	2.15	303	2.15	303
7	CHHATISGARH	1.50	667	9.37	1368	10.87	2035
8	DELHI	0.73	611	4.76	860	5.49	1471
9	GOA	0.00	0	1.94	129	1.94	129
10	GUJARAT	1.46	1769	96.85	18420	98.31	20189
11	HARYANA	9.99	7119	87.68	12481	97.66	19600
12	HIMACHAL PRADESH	0.00	0	109.37	9412	109.37	9412
13	INDIAN BANK	9.06	1255			9.06	1255
14	JAMMU & KASHMIR	9.58	5778	595.18	49094	604.75	54872
15	JHARKHAND	0.35	456	9.82	1319	10.17	1775
16	KARNATAKA	3.35	4315	129.10	24300	132.45	28615
17	KERALA	1310.42	581368	2005.97	188159	3316.39	769527
18	LADAKH	0.00	0	5.18	346	5.18	346
19	MADHYA PRADESH	1.15	1379	13.20	5054	14.35	6433
20	MAHARASHTRA	11.01	7713	185.10	19909	196.11	27622
21	MANIPUR	0.17	1765	1.89	430	2.06	2195
22	MEGHALAYA	0.04	62	0.45	30	0.49	92
23	MIZORAM	0.10	123	67.90	15066	68.00	15189
24	NAGALAND	24.37	12195	75.77	13629	100.13	25824
25	ODISHA	2.34	4213	10.73	3124	13.07	7337

26	PUDUCHERRY	5.85	2961	15.13	2138	20.98	5099
27	PUNJAB	0.00	0	115.88	18394	115.88	18394
28	PUNJAB GRAMIN BANK	0.00	0	6.19	438	6.19	438
29	RAJASTHAN	1.40	3325	187.84	19236	189.24	22561
30	SIKKIM	0.00	0	1.20	79	1.20	79
31	TAMILNADU	453.18	245802	269.64	25624	722.82	271426
32	TRIPURA	0.05	50	121.58	10166	121.63	10216
33	UNION BANK OF INDIA	0.00	0	9.00	281	9.00	281
34	UTTAR PRADESH	5.18	10918	168.56	34895	173.74	45813
35	UTTRAKHAND	0.20	1130	9.93	1098	10.13	2228
36	WEST BENGAL	2673.81	1177464	1630.30	174425	4304.11	1351889
	Total	4538.33	2108148	6146.13	702374	10684.47	2810522

QUESTION 20: Who are the Directors on the Board of NMDFC?

Sl. No.	NAME OF THE DIRECTORS	DESIGNATION	ORGANIZATION	ADDRESS
1	Dr. Abha Rani Singh	Chairman-cum-Managing Director	National Minorities Development & Finance Corporation	1st Floor, Core-1, Scope Minar, Laxmi Nagar, Delhi – 110092
2	Representative of Ministry of Minority Affairs	Joint Secretary	Ministry of Minority Affairs	11th Floor, Pt. Deendayal 'Antyodaya' Bhawan, CGO Complex, Lodhi Road, New Delhi-110003
3	Sh. Ajit Panchwadkar	Managing Director	Goa State Minorities Finance & Development Corporation	Near Directorate of Social Welfare, Opp. Farmacia Salcete, 18th June Road, Panaji, Tiswadi, North-Goa, Goa-403001
4	Sh. Ranjeet Singh	Managing Director	J&K SCs/STs & BCs Development Corporation	Near Red Cross Office, Exchange Road, Srinagar-190001
5	Smt. Rajni C. Singh, RAS	Managing Director	Rajasthan Minorities Finance & Development Cooperative Corporation	Dr. Radhakrishanan Shiksha Shankul Parishar, Madarsa Board Building, IIIrd Floor, Room No. 303, 308, 309, 311, J.L. N. Marg, Jaipur-302019
6	Smt. M. Asia Mariam	Managing Director	Tamil Nadu Minorities Economic Development Corporation	Khalas Mahal, Heritage Building, 1st Floor, Chepauk, Chennai – 600005

7	Sh. Bittu Kri	Managing Director cum CEO	Arunachal Pradesh State Co-operative Apex Bank Ltd	D Sector, Naharlagun, Papum Pare District, Arunachal Pradesh-791110
8	Sh. Samir S. Athalye	Deputy General Manager	National Bank for Agriculture and Rural Development	24, Rajendra Place, New Delhi – 110008
9	Sh. Shri Ram Meena,	General Manager	Small Industries Development Bank of India	3rd Floor, Atma Ram House, 1, Tolstoy Marg, New Delhi – 110001

QUESTION 21: What is the current disbursement status of the NMDFC Education Loan Scheme?

ANSWER: Since 2015-2016 NMDFC has disbursed Rs.342.94 Crores to 19856 beneficiaries/Student. A detailed statement of Year wise funds disbursed under the Education Loan Scheme is provided below:-

Financial Year	Amt. Rs. in Crore	No. of Beneficiaries.
2015-2016	15.80	1685
2016-2017	19.31	1921
2017-2018	21.09	1883
2018-2019	20.04	1604
2019-2020	53.80	4528
2020-2021	96.10	2712
2021-2022	18.86	723
2022-2023	35.74	2076
2023-2024	13.41	737
2024-2025	22.86	1005
2025-2026	25.93	982
Total	342.94	19856

QUESTION 22: What is the current recovery rate for NMDFC loans?

ANSWER: As of June 2026, the recovery rate for NMDFC loans stands at 96.32% under the Term Loan Scheme and 99.52% under the Micro-Finance Scheme.

QUESTION 23: How is the use of AADHAR Card enhancing transparency in loan sanctioning and disbursement?

ANSWER:

- NMDFC has communicated its State Channelizing Agencies (SCAs) to use AADHAR numbers for identifying beneficiaries and to link these numbers with their loan accounts.
- In areas where AADHAR is not available, SCAs are advised to use alternative biometric identifiers to prevent duplication and ensure transparency.
- Most SCAs have adopted AADHAR-linked financing.

QUESTION 24: How are loans transferred directly to beneficiaries' AADHAR/KYC-seeded bank accounts through NEFT/RTGS for Direct Benefit Transfer (DBT)?

ANSWER:

- SCAs are advised to open bank accounts for beneficiaries under the Jan Dhan Yojana and link these accounts with AADHAR numbers or KYC information.
- It is mandatory under NMDFC's lending policy to transfer loans directly to beneficiaries' bank accounts via RTGS/NEFT to ensure prompt delivery of benefits.
- SCAs have been instructed to implement DBT starting from April 1, 2016.

QUESTION 25: What measures are in place for the insurance of beneficiaries and their assets to protect against loan liability in case of mishap?

ANSWER:

- NMDFC's lending policy now mandates insurance for beneficiaries and their assets to ensure their safety and that of their families in the event of an accident.
- SCAs are required to arrange insurance coverage against death or disability and for the assets at the time of financing. The SCA should be designated as the nominee for the insurance claim up to the amount of the outstanding loan, with any remaining claim amount going to the beneficiary's nominee in case of an unfortunate event.

QUESTION 26: What impact studies has NMDFC conducted over the past five years?

ANSWER:

- NMDFC undertakes "beneficiary verification" and "impact assessment studies" through independent third-party organizations/agencies to evaluate the effectiveness of its financing and to detect any misuse, duplication, or diversion of funds.
- Each year, NMDFC verifies at least 10% of beneficiaries who received funding two years prior.
- Additionally, independent monitors, primarily retired government officers & officials of NMDFC have also been engaged to carry out beneficiary verification work.
- Details of the impact assessment studies and beneficiary verification activities conducted by NMDFC are provided below:

. No.	**Year**	**Name of Agency**	**Salient Observations of the Study Report**
1	2009-10	Empanelled Monitors of NMDFC	- Majority of beneficiaries were from the target income group.,- Over 80% of beneficiaries reported an increase in income.,- 65% of beneficiaries were repaying loans regularly.
2	2010-11	National Institute of Entrepreneurship & Small Business Development (NIESBUD), Noida	- 52% of beneficiaries crossed the poverty line.,- Average recovery rate at the grassroots level was over 60%.,- 12% of beneficiaries created wage employment after receiving the loan.
3	2011-12	Empanelled Monitors of NMDFC	- 54% of beneficiaries crossed the poverty line.,- Nearly 80% created assets from the loan.,- 86% of units were operational.

4	2012-13	National Institute of Entrepreneurship & Small Business Development (NIESBUD), Noida	- Most beneficiaries were first-time loan recipients.,- Almost all beneficiaries opened bank accounts in local banks.,- About 72% received loans via cheque, one-fourth in cash, and the remainder by demand draft.,- 95% of units were functional.,- 48% of beneficiaries crossed the poverty line.
5	2013-14	Centre for Market Research & Social Development, New Delhi	- 93.5% of beneficiaries reported no issues in obtaining the loan.,- Over 80% saw increases in income/savings and improved health & education.,- 67.6% of beneficiaries under the microfinance scheme had bank accounts and passbooks.,- 99.3% of beneficiaries in Self Help Groups properly utilized their loans.
6	2014-15	Centre for Market Research & Social Development, New Delhi	- 71.9% of Term Loan beneficiaries were men, while 97.1% of Micro Finance Scheme beneficiaries were women.,- 84% of Term Loan beneficiaries were Muslims, 10.6% Christians, and 5% Sikhs; 81.5% of Micro Finance Scheme beneficiaries were Muslims, 16.1% Christians.,- 99.7% of Term Loan beneficiaries faced no difficulties in loan acquisition.,- 81.8% of SCAs maintained computerized beneficiary lists.,- The study recommended increasing the number of functional SCAs in states lacking agencies.
7	2015-16	APITCO	- 91% of units were operational.,- 91% of beneficiaries used loans appropriately.,- 96% of beneficiaries created assets for the intended activity.,- 97% were satisfied with the financial assistance process.,- 71% received loans for the first time and created income-generating opportunities, while 29% used loans to expand existing businesses.
8	2017-18	Development & Research Service Pvt. Ltd.	- 96% of Term Loan beneficiaries possessed the assets acquired with the loan.,- 97% were engaged in the loan-related activities.,- 63% took loans to start new businesses, 34% to expand existing ones.,- 96% had started repaying their loans.,- 93% experienced no difficulties in loan acquisition.,- On average, 1.5 persons per unit were employed indirectly by operational units, with 7 months of employment provided annually.
9	2018-19	Centre for Market Research and Social Development	- 97% of Term Loan beneficiaries used the loan for its intended purpose.,- 68% used the loan for asset purchase, while 32% used it for working capital.,- 97% of units were operational.,- Most operational units employed 1-2 persons (91%), 3-5 persons (8%), and more than five persons (1%).,- 82% of beneficiaries received loans through DBT; 18% via cheque.,- Few beneficiaries faced difficulties, mainly regarding processing time and visits.,- 89% were engaged in their loan-related activities, 11% in different activities.
10	2021-22	MDI, Gurgaon	Salient observations of the study report 87% beneficiaries reported increase in monthly income. 79% beneficiaries started to make savings. 75% reported increase of Income, living standard & social prestige. 89% beneficiaries reported no difficulty in availing loan. 40% Education Loan was for higher studies.

10	2023-24	M/s Datawise	Term Loans:,- Female loan recipients increased from 31.9% in 2018-19 to 43.7% in 2020-21.,- Average income increased by 15%; 45% saved part of it.,- 41.2% reported improvements in education, social status, and health.,- 91% used loans as intended; 42% expanded businesses.,- 40% used intermediaries.,- 86.4% found the loan process simple or satisfactory. Microfinance:,- 67% saw an average income increase of 15.5%; 57% reported savings.,- 35.3% noted improvements in education, social status, and health.,- 80% used loans as intended.,- 28% used loans for asset creation.,- 96% found the application process simple. Education Loans:- More loans were granted to females.,- 82% of loans were for rural areas.,- Mainly for Bachelor's degrees.,- 34% completed their courses; 79% of graduates were employed.
11	2025-2026	IIT- Delhi	1. Significant Financial Inclusion Achieved NMDFC has played a crucial role in advancing financial inclusion among minority communities. Approximately ₹9,800 crore has been disbursed to nearly 2.65 million beneficiaries, indicating wide outreach and scale. 2. Positive Socio-Economic Impact Interventions have resulted in: 1) Increase in household income b) Creation of productive assets c)Improved livelihood security d) The Term Loan Scheme has notably increased average family income levels. 3. Empowerment through Microfinance The Microfinance Scheme has: Promoted women empowerment via Self-Help Groups (SHGs) b) Enabled access to microcredit for small-scale livelihood activities 4. Promotion of Entrepreneurship Term Loan and Microfinance schemes have: a) Supported first-generation entrepreneurs b)Facilitated transition to self-employment Reduced reliance on informal lending sources 5. Improved Access to Education Enhanced access to higher and professional education b) Benefited first-time borrowers, especially from underserved backgrounds 6. Support to Traditional Artisans (Virasat Scheme) The Virasat Scheme has helped sustain traditional crafts among minority artisans. However, its impact is limited due to: a) Weak market linkages b) Low digital adoption 3) Lack of branding and promotion support 7. Institutional and Operational Challenges Performance of State Channelising Agencies (SCAs) is uneven across states: Some SCAs are efficient and digitized Others face: a) Staff shortages b) Procedural delays c)Strict guarantor requirements d) Manual documentation systems 8. Gaps in Digital Systems The MILAN Management Information System (MIS) adoption is:

			a) Fragmented and inconsistent b) Limiting real-time monitoring c) Affecting data transparency and efficiency 9. Need for Structural Transformation (NMDFC 2.0) The report recommends transitioning NMDFC into a Development Finance Institution (DFI) model. Key priorities include: Governance modernization, End-to-end digital integration, Outcome-based accountability 10. Establishment of a dedicated Minority Entrepreneurship and Innovation Fund under the NMDFC **2.0 framework** to support scalable enterprises, start-ups, women-led businesses, artisans, MSMEs and technology-driven ventures. **11.Key Outcomes Reported by NMDFC Beneficiaries** 1. **Increase in Family Income:** The evaluation study observed a positive impact of NMDFC assistance on the income levels of beneficiaries. Under the **Term Loan Scheme**, the average increase in family income reported among surveyed beneficiaries was **84.63%** after availing the loan facility. Under the **Micro Finance Scheme**, the average annual family income increased from **₹63,149 before availing the loan to ₹98,834 after availing the loan**. 2. **Improvement in Saving Behaviour:** The study indicates that NMDFC assistance contributed towards improvement in the financial position of beneficiaries. Beneficiaries reported better savings capacity after availing financial assistance, indicating improved financial stability and economic resilience. 3. **Improvement in Living Standards and Social Status:** The evaluation highlights that NMDFC schemes contributed to improvement in the socio-economic conditions of beneficiaries through increased income, asset creation, enhanced livelihood opportunities and improved financial security. Education Loan beneficiaries also reported improvement in social status due to educational advancement and better employment opportunities. 4. **Accessibility of Loan Facility:** The evaluation found that beneficiaries were generally satisfied with the loan access and disbursement process. The majority of beneficiaries reported that they did not face significant difficulties in availing NMDFC financial assistance, indicating the effectiveness of the scheme delivery mechanism. 5. **Support for Higher and Professional Education:** The Education Loan Scheme enabled beneficiaries to pursue higher studies, including professional and technical courses. The scheme facilitated access to quality education and contributed towards improved employment prospects and socio-economic mobility. 12. Strategic Recommendations Establish Centres of Excellence (CoEs) for: Post-loan mentoring and handholding 2) Promote: Blended finance mechanisms for diversified funding 3) Stronger market linkages for minority entrepreneurs

QUESTION 27
What is the Grant-In-Aid Scheme of the Ministry of Minority Affairs and how has it benefited the SCAs of NMDFC?

Answer:

- The Grant-In-Aid (GIA) scheme was initiated in the fiscal year 2007-08.
- The scheme aims to enhance the infrastructure of State Channelising Agencies (SCAs) to improve their operations, including loan recovery.
- Implemented by the Ministry of Minority Affairs through NMDFC, the scheme supports all performing SCAs.
- The assistance covers the following areas: a. Awareness campaigns b. Enhancements to the delivery system of SCAs c. Loan recovery efforts d. Travel and accommodation expenses for SCA staff/officers, up to 5% of the total GIA sanctioned annually.
- The scheme does not allow for the creation of capital assets or permanent liabilities.

QUESTION 28
How much funding has NMDFC disbursed under the Grant-In-Aid Scheme of the Ministry of Minority Affairs?

Answer:

Since inception, the state-wise cumulative funds disbursed by NMDFC to its State Channelising Agencies (SCAs) under the GIA scheme are detailed below:

				Amt. Rs. Lakh
State	SCA	Overall position		
		Sanction	Utilized	Pending
Andhra Pradesh	APSMFC	30.51	30.51	0.00
Assam	AMDFC	97.14	97.14	0.00
Bihar	BSMFC	99.89	99.89	0.00
Chandigarh	CSCBCMFDC	12.65	10.15	2.50
Chhatisgarh	CSASVEVN	30.75	30.75	0.00
Delhi	DSFDC	0	0	0.00
Goa	GSMFDC	21.82	21.82	0.00
Gujarat	GMFDC	61.34	61.34	0.00
Haryana	HBCKN	79.74	79.74	0.00
Haryana	MDA	6.26	6.26	0.00
Himachal Pradesh	HPMFDC	125.02	125.02	0.00
Jammu & Kashmir	JKWDC	167.89	167.89	0.00
Jammu & Kashmir	JKSCSTBCDC	50.71	50.71	0.00
Jammu & Kashmir	JKEDI	69.54	69.54	0.00
Jammu & Kashmir	JKLFC/JKSFC	89.48	89.48	0.00
Jharkhand	JHSMFDC	35.5	35.5	0.00
Karnataka	KMDC	79.46	79.46	0.00
Kerala	KSBCDC	367.98	367.98	0.00
Kerala	KSWDC	256.7	256.7	0.00
Kerala	MATSYAFED	174.99	174.99	0.00

Kerala	KSMDFC	73.32	70.76	2.56
Madhya Pradesh	MPBCMFDC	14.7	14.7	0.00
Madhya Pradesh	MPHAAVN	2.27	2.27	0.00
Maharashtra	MAAAVM	182.67	172.67	10.00
Manipur	MOBEDS	11.15	11.15	0.00
Meghalya	MIDC	4.98	4.98	0.00
Mizoram	MCAB	38.79	33.79	5.00
Nagaland	NHHDC	18.5	13.5	5.00
Nagaland	NSSWB	23.32	23.32	0.00
Nagaland	NIDC	22.23	22.23	0.00
Orissa	OBCFDC	23.26	23.26	0.00
Puducherry	PBCMDC	36	36	0.00
Punjab	BACKFINCO	144.48	134.48	10.00
Rajasthan	RMFDCC	135.76	135.76	0.00
SIDCO	SIDCO	16.04	16.04	0.00
Sikkim	SABCCO	32	32	0.00
Tamil Nadu	TAMCO	337.44	337.44	0.00
Tripura	TMCDC	144.4	144.4	0.00
Uttar Pradesh	UPMDFC	157.23	137.23	20.00
Uttrakhand	UAKTWVN	24.45	24.45	0.00
West Bengal	WBMDFC	456.81	456.81	0.00
Total		3,757.17	3,702.11	55.06

QUESTION 29
What guidelines has NMDFC issued to the SCAs for implementing the Term Loan and Micro-Finance schemes?

Answer:
NMDFC's Lending Policy focuses on NEED-BASED FINANCING, addressing the specific needs of beneficiaries (project nature and funding amount) and regional needs (number of units). To facilitate this, SCAs are granted the following powers and flexibility:

a) **Loan Distribution:**

- 70% of loans should be for amounts not exceeding Rs.5.00 lakhs per beneficiary.
- 20% of loans may range between Rs.5.00 lakhs and Rs.10.00 lakhs.
- 10% of loans can be for amounts exceeding Rs.10.00 lakhs.

b) **Unit Financing:**

- The number of units financed at any location is determined by the SCA.

c) **Composite Loans:**

- Loans up to Rs.5.00 lakhs can be treated as composite loans. For loans exceeding Rs.5.00 lakhs, the working capital component must not surpass 40% of the total loan amount.

d) **Education Loans:**

- Education loans are part of the Term Loan scheme and must not exceed 20% of the total Term Loan extended by the SCA in a year. This includes 10% for new Education Loan cases and 10% for existing cases.

e) **Preference for Education Loans:**

- Priority should be given to students admitted to government institutions and courses with strong employment prospects. 90% of education loans should be for domestic courses, with preference for short-duration courses with high employment potential.

f) **Disbursement and Verification:**

- Loans exceeding Rs.5.00 lakhs should be disbursed in two installments. The first 50% must be followed by a verification of its use before releasing the remaining funds. Details of such cases must be uploaded on the SCA's website before further disbursement.

g) **Beneficiary Selection:**

- SCAs are responsible for selecting beneficiaries who meet the basic eligibility criteria and are suitable for their project and socio-economic conditions. SCAs must evaluate the techno-economic viability of the project before final selection.

h) **Follow-Up:**

- SCAs should monitor beneficiaries to ensure that assets are purchased and utilized as per the sanctioned scheme.

i) **Recoveries:**

- SCAs are responsible for collecting repayments from beneficiaries and making quarterly payments to NMDFC.

j) **Reporting:**

- SCAs must provide NMDFC with reports on fund utilization, beneficiary lists to be uploaded on MILAN portal, and quarterly recovery updates.

QUESTION 30
What are the details of funds disbursed under the Marketing Assistance scheme of NMDFC?

Answer:NMDFC has approved exhibitions under the Marketing Assistance scheme with a total outlay of Rs.1279.34 lakhs, benefiting over 38718 artisans/SHG members. The state-wise details of sanctions granted by NMDFC are as follows:

				Amt. Rs. In Lakh
Sr. No.	State		Amt.	Benf.

1	ANDHRA PRADESH	APSMFC	0.12	60
2	ASSAM	AMDFC	1.8	20
3	BIHAR	BSMFC	15.84	1326
4	DELHI	DILLI HAAT	25.75	145
		IITF	50.74	67
5	GUJARAT	GMFDC	114.6	545
			21.2	80
			10.4	80
18	HARYANA	SURAJKUND	175	310
6	JAMMU & KASHMIR	JKSCSTDC	109.6	1303
		JKWDC (Kala Kendra)	191.46	11255
		JKWDC (Chandigarh)	20.8	160
7	KERALA	KSBCDC	38.55	2633
		KSCFFDC	0.75	140
		KSWDC	20	1067
8	KARNATAKA	KMDC	41.17	180
9	MAHARASHTRA	MAAAVM	18.98	738
		NGO	2.6	20
			25.6	80
10	MADHYA PRADESH	MPHDC	5.92	1109
11	NAGALAND	NSSWB	33.63	2544
		NHDC	34.5	2467
12	PONDICHERRY	PDBCMDC	46.36	3146
13	RAJASTHAN	RMFDCC	38.24	210
14	TAMILNADU	TAMCO	4.23	530
15	UTTAR PRADESH	UPMFDC	18.46	80
		NGO	2.64	25
	Banaras Trade Fair Exhibition-2015 (UP)		0.72	35
16	UTTARANCHAL	UMFDC	9.2	663
17	WEST BENGAL	WBMDFC	174.88	7620
		WBMDFC/USTTAD	25.6	80
		TOTAL	1279.34	38718

QUESTION 31
What are the details of the awareness programs organized by SCAs under the NMDFC program?

Answer:

- Significant efforts have been made to publicize NMDFC schemes and programs among targeted minority groups.
- Organizing Loan Melas cum Awareness Camps has become a mandatory part of the loan process, with SCAs instructed to conduct these events for loan disbursement.

- Over the past 11 financial years and the current fiscal year, SCAs have organized 3575 Loan Melas cum Awareness Camps, as detailed below:

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Nos. of Loan Mela -cum - Awareness Camps Organized	**85**	**92**	**147**	**163**	**514**	**Nil** **DUE TO PENDEMIC AWARENESS CAMPS WERE NOT CARRIED OUT**	**323**	**818**	**831**	**279**	**323**

Activities Conducted During Loan Mela-cum-Awareness Camp:

- **Distribution of Loan Disbursement Advices:** Loans are handed over to beneficiaries who complete the required documentation. Funds are directly deposited into the beneficiary's bank account.
- **Scheme Explanations:** Detailed information on NMDFC and Ministry of Minority Affairs schemes is provided.
- **Distribution of Information Materials:** Leaflets, brochures, and application forms for NMDFC and Ministry of Minority Affairs schemes are distributed.
- **Success Stories:** Sharing of success stories to inspire and inform attendees.
- **Application Assistance:** On-the-spot assistance for filling out application forms and accepting completed forms for processing.

QUESTION 32
How is NMDFC rated by the Department of Public Enterprises (DPE)?

Answer:

- The Department of Public Enterprises (DPE), under the Ministry of Finance, Government of India, evaluates NMDFC's performance based on the annual targets outlined in the Memorandum of Understanding (MOU) with the Ministry of Minority Affairs.
- Key performance evaluation parameters include loan disbursement, beneficiary coverage, equity contributions from states, gross margin, achievements in the Marketing Assistance scheme and Vocational Training, and beneficiary verification.
- Over the past 14 years, the DPE has awarded the following performance grades to NMDFC:

FINANCIAL YEAR	RATING
2010-11	**Excellent**
2011-12	**Excellent**
2012-13	**Excellent**
2013-14	Good
2014-15	Excellent
2015-16	Excellent
2016-17	Very Good

2017-18	Excellent
2018-19	Good
2019-20	Very Good
2020-21	Very Good
2021-22	Excellent
2022-23	Very Good
2023-24	Very Good
2024-25	Very Good
2025-26	Awaited

QUESTION 33
What initiatives has NMDFC taken to digitize the loaning process?

Answer:
Launch of Minority Loan Accounting Software for NMDFC (MILAN)

NMDFC, with support from ICICI Bank, has introduced the MILAN (Minority Loan Accounting Software for NMDFC) to digitize the loan and accounting processes between applicants, SCAs, and NMDFC. This software aims to enhance efficiency, transparency, and accessibility of NMDFC's schemes. Key features of MILAN include:

i. **Online Application Portal:** Allows prospective beneficiaries to submit applications online from anywhere in India. ii. **Loan Management Software for SCAs:** Manages the accounting of loans provided by SCAs to beneficiaries. iii. **Loan Accounting Software for Headquarters:** Manages the accounting of loans issued by NMDFC to SCAs. iv. **Integration with Existing MIS Portal:** The new software integrates with NMDFC's existing MIS portal.

MILAN enhances transaction transparency and speeds up loaning and accounting processes for NMDFC and its SCAs. It enables applicants to apply for loans online, track their application status, and view disbursement and repayment details. The system is designed to be responsive for both beneficiaries and state channeling agencies.

Access MILAN at https://milannmdfc.org

QUESTION 34

What is the total sanctioned staff strength of NMDFC, and what are the current incumbency and vacancy details (as on May 2026)?

Answer:

- **Total Sanctioned Staff Strength:** 122

Current Incumbency: 43

- **Executive Cadre:** 25
- **Supervisory Level:** 0
- **Non-Executive Level:** 18
- **MTS (Multi-Tasking Staff):** 0

Total Vacant Positions: 79

Executive Cadre : 53

Non Executive Cadre : 26

QUESTION 35
What steps have been taken to modernize NMDFC for enhanced efficiency, transparency, and accountability?

Answer:
NMDFC is proud to announce the successful implementation of an e-office system, marking a major shift from manual processes to a modernized operational framework. This transition, effective from 2023, aims to boost efficiency, transparency, and accountability.

Objective: The primary goal of this transition is to modernize NMDFC's operations by streamlining workflows, reducing paperwork, and accelerating decision-making processes. This change aligns with the broader government initiative to digitize and automate public sector operations.

Key Features of the E-Office System:

1. **Digital Documentation:** All documents and communications are now managed electronically, minimizing the need for physical storage and facilitating easy access and sharing of information.
2. **Automated Workflows:** Routine tasks and processes are automated to ensure consistency, reduce human error, and allow employees to focus on more strategic activities.
3. **Enhanced Collaboration:** The system improves collaboration among departments and stakeholders with real-time document sharing, version control, and collaborative editing tools.
4. **Improved Transparency:** A transparent audit trail tracks all actions taken on documents and files, enhancing accountability and monitoring.
5. **Accessibility:** Employees can access the e-office system from any location, supporting flexible work conditions and ensuring operational continuity during emergencies.
6. **Security:** Strong security measures are in place to safeguard sensitive information and prevent unauthorized access.