

**MEMORANDUM OF UNDERSTANDING
(MOU)**

BETWEEN

**NATIONAL SAFAI KARAMCHARIS FINANCE &
DEVELOPMENT CORPORATION (NSKFDC)**

AND

**MINISTRY OF SOCIAL JUSTICE & EMPOWERMENT GOVERNMENT
OF INDIA**

**FOR THE YEAR
2014-15**

NSKFDC

TABLE OF CONTENTS

PART	TOPIC	PAGE NO.
I	(i) BACKGROUND (ii) MISSION AND OBJECTIVES	3-4
II	EXERCISE OF ENHANCED AUTONOMY AND DELEGATION OF FINANCIAL POWERS	5
III	PERFORMANCE EVALUATION PARAMETERS & TARGETS	6-11
IV	COMMITMENTS/ASSISTANCE FROM THE GOVERNMENT	12
V	ACTION PLAN FOR IMPLEMENTATION AND MONITORING OF THE MOU	13

NSKFDC

MEMORANDUM OF UNDERSTANDING FOR THE YEAR 2014-15

(i) BACKGROUND

National Safai Karamcharis Finance & Development Corporation (NSKFDC) was set up on 24th January 1997 by the Government of India under the Ministry of Social Justice & Empowerment with the objective of providing soft loan including micro-credit finance for the socio-economic upliftment of the Safai Karamcharis/Scavengers and their dependants and also to impart the Skill Development Training to empower them through the Job Employment/Self Employment.

The Mission of NSKFDC is to empower the Safai Karamcharis/Scavengers to break their depressed social and economic condition and leverage them to work their own way up the social and economic ladder, with dignity and pride. By providing loans for any income generating schemes/self-employment ventures, professional or technical education courses to students for graduation level and above, technology upgradation for carrying out sanitation work and also "micro" loans and entrepreneurship training to poor Safai Karamchari/Scavenger women, men and their dependants to start their own economic ventures, NSKFDC has been partnering the State Channelising Agencies for the social and economic empowerment of the Safai Karamcharis/Scavengers and their dependants. Financial assistance is provided to the State Channelising Agencies against State/UT Government Guarantee/Letter of Assurances as security.

The Memorandum of Understanding (MOU) is sought to be executed for obtaining desired objectives in a time bound manner.

PART-I

(ii) MISSION:

The Mission of NSKFDC is to empower the Safai Karamcharis, Scavengers and their dependents to break away from their traditional occupation, depressed social condition and poverty besides leveraging them to work their own way up the social and economic ladder, with dignity and pride.

OBJECTIVES:

1. To promote economic development activities, self-employment ventures for the benefit and/or rehabilitation of Safai Karamcharis and their dependents either individually or in groups, by way of grants, subsidy, soft loans or advances through the State Scheduled Castes Development/finance corporation or any other Channelising Agency designated by the State Government or Union Territory Administration and subject to the directions given by the Government from time to time.
2. To collaborate with the Ministries or Departments of GOI or Governments of States/UTs under relevant programs for the rehabilitation of Safai Karamcharis and their dependents;
3. To extend loans to students from the community of Safai Karamcharis for pursuing professional or technical education;
4. To promote training, quality control, technology upgradation, and common facility centers for carrying out sanitation works;
5. To work as an apex institution for coordinating and monitoring the work of all Corporations, Boards set up by the State Governments/Union Territory Administrations for assisting Safai Karamcharis and their dependents for their economic development.
6. To help in furthering the policies and programs of the Government for socio-economic development of Safai Karamcharis and their dependents.
7. To assist in the up-gradation of technical and entrepreneurial skills of persons belonging to the community of Safai Karamcharis or their dependents for proper and efficient management of production and service units set up by them.
8. To assist self-employed individuals or groups of individuals from the community of Safai Karamcharis including their dependents or units/cooperatives set up by them in procurement of raw materials or other outputs and marketing of finished goods or services.

PART-II

EXERCISE OF ENHANCED AUTONOMY AND DELEGATION OF FINANCIAL POWERS

All powers delegated to MOU signing PSEs vide OM No. BPE 1(18)/88-Fin. (PPU) dated 19.10.88 and subsequent amendments and guidelines issued from time to time will be available to NSKFDC.

Part III											
PERFORMANCE EVALUATION PARAMETERS AND TARGETS											
Registered under Section 25 of the Companies Act, 1956											
Sl. No	Static/Financial Parameters 40%	Unit	Weightage %	Targets As per MoU 2013-14	Targets As per MoU 2014-15	MoU Target					Documentary evidence and source/origin of documents
				Very Good	Very Good	Excellent	Very Good	Good	Fair	Poor	
1	2	3	4	5	6	7	8	9	10	11	
Evaluation Criteria											
1 Static/Financial Parameters 40%											
(i)	EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)	Rs. Cr.	10	3.20	4.40	4.60	4.40	4.18	3.96	3.74	As per Books of Accounts, Directors Report & other Records
(ii) Disbursements											
(a)	Term Loan	Rs. Cr.	3	71.58	82.10	85.26	82.10	78.44	73.89	70.14	
(b)	Mahila Adhikarita Yojana	Rs. Cr.	3	6.29	7.22	7.47	7.22	6.88	6.50	6.14	
(c)	Mahila Samridhi Yojana	Rs. Cr.	2	16.43	18.85	19.56	18.85	17.90	16.87	16.02	
(d)	Micro Credit Finance	Rs. Cr.	2	14.52	16.64	17.49	16.64	15.81	14.98	14.14	
(e)	Education Loan	Rs. Cr.	2	0.17	0.19	0.22	0.19	0.18	0.17	0.16	
TOTAL			12	108.99	125.00	130.00	125.00	119.20	112.40	106.60	
(iii)	% of total resources mobilized from source other than grant in aid of Government	% age	4	0.29	0.30	0.32	0.30	0.29	0.27	0.26	
(iv)	EBITDA/ Total employment of the CPSE at the year end as per Audited Accounts	Rs. Lakh	5	21	23.00	24.16	23.00	21.85	20.70	19.55	
(v)	Recovery as a % of amount due (current Year)	% age	4	69.30	70.00	75.00	70.00	66.50	63.00	59.50	
(vi)	Recovery as a % of amount overdue for varying years (accumulated)	% age	5	31.76	35.00	38.00	35.00	33.25	31.50	29.75	
Sub - Total 1 (i to vi)			40								
2 Dynamic Parameters 60%											
(i) No. of Beneficiaries assisted during the year											
(a)	Term Loan	No.	3	6153	5337	5678	5337	5070	4805	4536	As per demand of funds for coverage of required beneficiaries received from SCAs/ Directors Report
(b)	Mahila Adhikarita Yojana	No.	2	1150	998	1063	998	950	898	848	
(c)	Mahila Samridhi Yojana	No.	2	5250	4554	4848	4554	4327	4099	3871	
(d)	Micro Credit Finance	No.	2	5300	4596	4895	4596	4366	4136	3907	
(e)	Education Loan	No.	1	17	15	16	15	14	14	13	
			10	17870	15500	16500	15500	14728	13952	13175	
(ii)	No. of beneficiaries got assisted under schemes of other Govt. Departments / PSUs under CSR	No.	5	2074	2281	2395	2281	2167	2053	1939	As per utilization certificate received from the SCAs/ Directors Report
(iii)	% age of beneficiaries inspected during the year (i.e. 60% from Internal Officials & 40% from External Agencies)	%age	5	6.00	7.00	7.50	7.00	6.65	6.30	5.95	As per visits being undertaken by officers of the Corporation & inspection by External Agencies/ Directors Report
(iv)	% age of beneficiaries found during inspection to have utilized the funds for the intended purpose	%age	5	@	80	85	80	75	70	65	
(v)	No. of target group provided Entrepreneurship Development/Skill Development Programme that help them to secure employment	No.	5	2097	2400	2500	2400	2280	2160	2040	As per demand of funds for coverage of required beneficiaries received from SCAs/ Directors Report
(vi)	Partnership with New (in addition to existing) Vocational institutes to train beneficiaries	No.	5	5	5	6	5	4	3	2	As per records of Project Department/ Directors Report
(vii)	Partnership with new (in addition to existing) Govt. departments / established Institutions to leverage the Corporation's objectives/ schemes	No.	4	2	2	3	2	1	0	0	
(viii)	Strategic Plan Preparation & Submission to the Ministry for Approval	Timeline	6	Sep-2013	15th Sep - 2014	Aug - 2014	15th Sep - 2014	30th Sep - 2014	15th Oct - 2014	31st Oct - 2014	As per records of Strategic Plan/ Directors Report
(ix)	%age of Reduction in Non-performing assets - year wise break up	%age	5	13	14.50	15.50	14.50	13.00	12.00	11.00	As per Books of Accounts/ Directors Report
(x) Human Resource Management (HRM)											
(a)	Training for Senior Management Personnel for Risk Management (No. of Programme)	No.	3	4	4	5	4	3	2	1	As per the records of training of Employees/ Directors Report
(b)	Training for Personnel in skill enhancement (No. of Programme)	No.	2	4	4	5	4	3	2	1	
(xi)	Impact Assessment - Evaluation Study by third party	Timeline	3	@	Aug - 2014	July - 2014	Aug - 2014	Sep - 2014	Oct - 2014	Nov - 2014	
(xii)	Implementation of Information Technology System for Loan Accounting and uploading the data of the beneficiaries on the website of NSKFDC	Timeline	2	@	Sep - 2014	Aug - 2014	Sep - 2014	Oct - 2014	Nov - 2014	Dec - 2014	
Sub - Total 2 + 3			60								
Total (1+2+3)			100								
@ New Parameters											
Footnote:											
(i) Non-compliance of Corporate Governance/other guidelines/Regulations will be penalized by way of negative marking and the MoU Score will be increased in accordance with the para 3.21 & 3.22 of DPE MOU 2014-15 guidelines issued vide O.M. No.3/19/2013/DPE (MoU) dated 1st November, 2013											

PART-III (DETAILS)

1. Static / Financial Parameters

(i) EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) (Rs. in crore)

Achievements							Targets for 2014-15				
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (target as per MoU)	2014-15 (proj)	Excellent	Very Good	Good	Fair	Poor
0.52	1.94	2.00	2.21	2.43	3.20	4.40	4.60	4.40	4.18	3.96	3.74

(ii) Disbursement (Crore)

(a) Term Loan

(Rs. in Crore)

Achievement (Cumulative upto the year end)							Targets for 2014-15				
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (target as per MoU)	2014-15 (proj)	Excellent	Very Good	Good	Fair	Poor
40.10	55.59	51.22	59.16	65.08	71.58	82.10	85.26	82.10	78.44	73.89	70.14

Explanatory Notes:

- The total disbursement target is around 2/3rd of the total sanction target for each criteria value.
- The maximum loan limit is Rs.15 lakh and the average per capita investment of disbursement for 2014-15 is Rs.1,53,832/-.

(b) Mahila Adhikarita Yojana (Rs. in Crore)

Achievements							Targets for 2014-15				
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (target as per MoU)	2014-15 (Proj)	Excellent	Very Good	Good	Fair	Poor
-	4.06	4.50	5.20	5.72	6.29	7.22	7.47	7.22	6.88	6.50	6.14

Explanatory Note:

- NSKFDC has introduced Mahila Adhikarita Yojana w.e.f. 1.7.08 for providing more financial assistance to women beneficiaries for small units costing upto Rs.75,000/- per unit.
- The per capita investment of disbursement (Mahila Adhikarita Yojana) is Rs.72,345/-.

(c) Mahila Samridhi Yojana (Rs. in Crore)

Achievements							Targets for 2014-15				
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (target as per MoU)	2014-15 (proj)	Excellent	Very Good	Good	Fair	Poor
15.70	11.02	11.76	13.58	14.94	16.43	18.85	19.56	18.85	17.90	16.87	16.02

Explanatory Notes:

- The maximum unit cost is Rs.50,000/-.
- The per capita investment of disbursement (Mahila Samridhi Yojana) is Rs.41,392/-.

(d) Micro Credit Finance (Rs. in Crore)

Achievements							Targets for 2014-15				
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (target as per MoU)	2014-15 (proj)	Excellent	Very Good	Good	Fair	Poor
9.20	13.38	10.40	12.01	13.21	14.52	16.64	17.49	16.64	15.81	14.98	14.14

Explanatory Note:

- The loan limit of MCF is Rs.50,000/-
- The per capita investment of disbursement (Micro Credit Finance) is Rs.36,205/-.

(e) Education Loan (Rs. in Crore)

Achievements					Targets for 2014-15				
2010-11	2011-12	2012-13	2013-14 (target as per MoU)	2014-15 (proj)	Excellent	Very Good	Good	Fair	Poor
0.12	0.14	0.15	0.17	0.19	0.22	0.19	0.18	0.17	0.16

Explanatory Note:

- The loan limit is Rs.10.00 Lac for study in India & Rs.20.00 Lac abroad.
- Rate of Interest is 1% and in case of female candidates the rate of interest is 0.5% chargeable from the SCAs.

(iii) % of total resources mobilized from source other than grant in aid of Government (%age)

Achievements				Targets for 2014-15				
2011-12	2012-13	2013-14 (target as per MoU)	2014-15 (proj)	Exe	Very Good	Good	Fair	Poor
0.24	0.26	0.29	0.30	0.32	0.30	0.29	0.27	0.26

(iv) EBITDA/Total Employment of the CPSE at the year-end as per Audited Accounts
(Rs. in Lakh)

Achievements				Targets for 2014-15				
2011-12	2012-13	2013-14 (target as per MoU)	2014-15 (proj)	Exe	Very Good	Good	Fair	Poor
1:01	1:02	0.21	23.00	24.16	23.00	21.85	20.70	19.55

(v) Recovery as a % of amount due (current year) (%age)

Achievements							Targets for 2014-15				
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (target as per MoU)	2014-15 (proj)	Exe	Very Good	Good	Fair	Poor
78	76	76	63	69.30	69.30	70.00	75.00	70.00	66.50	63.00	59.50

(vi) Recovery as a % of amount overdue for varying years (accumulated) (%age)

Achievements				Targets for 2014-15				
2011-12	2012-13 (target as per MoU)	2013-14 (Proj)	2014-15 (proj)	Exe	Very Good	Good	Fair	Poor
26.25	28.88	31.76	35.00	38.00	35.00	33.25	31.50	29.75

2. Dynamic Parameters

(i) No. of Beneficiaries Assisted during the year

a) Beneficiaries for Term Loan (Nos.)

Achievements							Targets for 2014-15				
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (target as per MoU)	2014-15 (proj)	Exe.	Very Good	Good	Fair	Poor
3175	5724	4400	5082	5590	6153	5337	5678	5337	5070	4805	4536

b) Beneficiaries for MAY (Nos.)

Achievements							Targets for 2014-15				
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (target as per MoU)	2014-15 (proj)	Exe.	Very Good	Good	Fair	Poor
300	986	880	1016	1118	1150	998	1063	998	950	898	848

c) Beneficiaries for MSY (Nos.)

Achievements							Targets for 2014-15				
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (target as per MoU)	2014-15 (proj)	Exe.	Very Good	Good	Fair	Poor
9280	4610	8555	4200	5215	5250	4554	4848	4554	4327	4099	3871

d) Beneficiaries for MCF (Nos.)

Achievements							Targets for 2014-15				
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (target as per MoU)	2014-15 (proj)	Excellent	Very Good	Good	Fair	Poor
6770	6482	7920	6825	5205	5300	4596	4895	4596	4366	4136	3907

➤ The demand of fund under MCF has been decreased from the SCAs as the beneficiaries are preferring for high value projects. However, NSKFDC would continue the target number of beneficiaries to increase.

e) Beneficiaries for Education Loan (Nos.)

Achievements					Targets for 2014-15				
2010-11	2011-12	2012-13	2013-14 (target as per MoU)	2014-15 (proj)	Exe.	Very Good	Good	Fair	Poor
12	14	15	17	15	16	15	14	14	13

(ii) No. of Beneficiaries got assisted under schemes of other Govt. Departments/ PSUs under CSR (Nos.)

Achievements				Targets for 2014-15				
2011-12	2012-13	2013-14 (target as per MoU)	2014-15 (proj)	Exe.	Very Good	Good	Fair	Poor
1714	1885	2074	2281	2395	2281	2167	2053	1939

(iii) %age of Beneficiaries inspected during the year (i.e. 60% from Internal Officials & 40% External Agencies(%age)

Achievements				Targets for 2014-15				
2011-12	2012-13	2013-14 (target as per MoU)	2014-15 (proj)	Exe.	Very Good	Good	Fair	Poor
5.25	5.78	6	7.00	7.50	7.00	6.65	6.30	5.95

(iv) %age of Beneficiaries found during inspection to have utilized the funds for the intended purpose (%age)

Achievements	Targets for 2014-15				
2014-15 (Proj)	Exe.	Very Good	Good	Fair	Poor
80	85	80	75	70	65

(v) No. of target group provided Entrepreneurship Development/Skill Development programme that help them to secure employment (Nos.)

Achievements				Targets for 2014-15				
2011-12	2012-13	2013-14 (target as per MoU)	2014-15 (proj)	Exe.	Very Good	Good	Fair	Poor
1733	1906	2097	2400	2500	2400	2280	2160	2040

(vi) Partnership with New (in addition to existing) Vocational Institutes to train beneficiaries (Nos.)

Achievements		Targets for 2014-15				
2013-14 (target as per MoU)	2014-15 (proj)	Exe	Very Good	Good	Fair	Poor
5	5	6	5	4	3	2

(vii) Partnership with New (in addition to existing) Government departments/established Institutions to leverage the Corporation's objectives/schemes (Nos.)

Achievements		Targets for 2014-15				
2013-14 (target as per MoU)	2014-15 (proj)	Exe	Very Good	Good	Fair	Poor
2	2	3	2	1	0	0

(viii) Strategic plan preparation & submission to the Ministry for approval (Timeline)

Achievements		Targets for 2014-15				
2013-14 (target as per MoU)	2014-15 (proj)	Exe	Very Good	Good	Fair	Poor
Sep- 2013	15 th Sep- 2014	Aug- 2014	15 th Sep – 2014	30 th Sep – 2014	15 th Oct – 2014	31 st Oct - 2014

(ix) %age of Reduction in Non-performing assets – year wise break up (%age)

Achievements				Targets for 2014-15				
2011-12	2012-13	2013-14 (target as per MoU)	2014-15 (proj)	Exe.	Very Good	Good	Fair	Poor
10.50	11.55	13	14.50	15.50	14.50	13.00	12.00	11.00

(x-a) Training for Senior Management Personnel for Risk Management (No. of Programme)

Achievements		Targets for 2014-15				
2013-14 (target as per MoU)	2014-15 (proj)	Exe.	Very Good	Good	Fair	Poor
4	4	5	4	3	2	1

(x-b) Training for Personnel in skill enhancement (No. of Programme)

Achievements		Targets for 2014-15				
2013-14 (target as per MoU)	2014-15 (proj)	Exe.	Very Good	Good	Fair	Poor
4	4	5	4	3	2	1

(xi) Impact Assessment – Evaluation Study by third party (Timeline)

Achievements		Targets for 2014-15				
2014-15 (proj)	Exe.	Very Good	Good	Fair	Poor	
Aug – 2014	July – 2014	Aug – 2014	Sep – 2014	Oct – 2014	Nov – 2014	

(xii) Implementation of Information Technology System for Loan Accounting and uploading the data of the beneficiaries on the website of NSKFDC (Timeline)

Achievements		Targets for 2014-15				
2014-15 (proj)	Exe.	Very Good	Good	Fair	Poor	
Sep – 2014	Aug – 2014	Sep – 2014	Oct – 2014	Nov – 2014	Dec - 2014	

PART - IV

COMMITMENTS/ASSISTANCE FROM GOVERNMENT OF INDIA

- 1.1 The funds allocated and approved by the Planning Commission for release to NSKFDC during the Plan Year 2014-2015 will be released by the Government as early as possible subject to utilisation of non-reserve funds. However, NSKFDC shall explore avenues to augment its resources and not depend on Government's financial support alone.
- 1.2 The Government of India will release Rs.50.00 crore in 2014-15 as equity to enable the Corporation to sustain the present level of its activities.
- 1.3 The Government of India will endeavour to provide adequate administrative & financial support for the functioning of State Channelising Agencies on professional lines.
- 1.4 The Government of India will timely release the admissible Share Capital to the SCDCs/SCAs and also will consider more equity as per demand of fund of NSKFDC so that more number of the target group could be covered.
- 1.5 The Government of India will assist in securing State Governments Guarantee.

NSKFDC

PART - V

ACTION PLAN FOR IMPLEMENTATION AND MONITORING OF THE MOU

The performance of NSKFDC will be reviewed against the targets given in the MOU on quarterly basis by the Ministry of Social Justice and Empowerment, Government of India and evaluated by DPE at the end of the Year.

Signed at New Delhi on 28/03/2014

Sd/-

M. NAGARAJ
MANAGING DIRECTOR
NSKFDC, B-2 (FF),
G.K. ENCLAVE - II,
NEW DELHI - 110048

Sd/-

SUDHIR BHARGAVA (IAS)
SECRETARY,
GOVERNMENT OF INDIA,
M/O SJ&E,
SHASTRI BHAWAN,
NEW DELHI - 01

ANNEXURE - X

SELF DECLARATION/CERTIFICATION BY CPSE

It is hereby certified that the targets and actual achievements in respect of financial parameters have been worked out as per MoU Guidelines by adopting the norms and definitions laid down in MoU Guidelines for the year 2014-15. In case, any deviation is found at the time of appraisal of performance, DPE is free to evaluate as per audited accounts as per MoU Guidelines. CPSE has no right of claim in this regard.

Authorized Signatory

(V. K. PARWANDA)
Deputy General Manager