



**Scheme of National Award for Performance Excellence for
State Channelizing Agencies**

NATIONAL SCHEDULED CASTES FINANCE AND DEVELOPMENT CORPORATION
(A CPSE of Ministry of Social Justice & Empowerment, Government of India)

Scheme of National Award for Performance Excellence for State Channelizing Agencies

Objective

To recognize and promote excellence in State Channelizing Agencies of the NSFDC and motivate them to continuously improve their performance and achieve better results in promoting prosperity among Scheduled Castes. The scheme also provides opportunity to the SCAs to receive feedback about their current performance and the opportunities for improvement using the prescribed criteria.

Criteria for Rating

(i) Eligibility Criteria for participation

All State Channelising Agencies of NSFDC are eligible for participating in the scheme provided they have complied with the following conditions during the financial year under consideration:

- a) Bank accounts of at least 90% of the beneficiaries assisted by the SCA under NSFDC schemes are seeded with Aadhaar numbers.
- b) The SCA has released the entire loan amount to the beneficiaries or suppliers of the assets in their bank accounts.
- c) All new borrowers without bank account have been assisted by the SCA to open their account under the Pradhan Mantri Jan Dhan Yojana (PMJDY). An already existing account holder has been persuaded to transfer his/her old account under PMJDY.
- d) Bank account of beneficiaries are also linked to their registered mobile number and also recorded in the office of SCA in cases of beneficiaries possessing mobile phones.
- e) SCA has availed disbursement of at least 80% of the notional allocation made during the financial year.

Managing Director of the SCA will give the self-certification with regards to strict and scrupulous compliance with the eligibility criteria.

(ii) **Evaluation Criteria**

In the existing scheme, the scoring is based mostly on evaluation of financial parameters. The proposed scheme includes three categories of parameters namely Financial, Risk Hedging and Social & environmental with assigned weightages of 65%, 20% and 15% respectively. Most of the parameters of the existing scheme have been retained in the revised scheme under Financial category.

A brief on the three categories of rating is given as under:

a) Financial Parameters (65% weightage)

The objective is to measure the financial performance of the SCAs and include parameters such as disbursement against notional allocation, mobilization of guarantee, utilization of funds disbursed during the last three years, recovery from beneficiaries, repayment to NSFDC, etc.

b) Risk Hedging Parameters (20% weightage)

Risk hedging refers to the opinion at a certain point of time on the ability of a lending organization to conduct its operations in a scalable and sustainable manner. The SCAs need to have a robust mechanism to manage their risks. It is proposed to introduce parameters that motivate SCAs to adopt risk hedging mechanisms. The proposed parameters include use of web-based loan accounting software, audit of Annual Accounts and implementation of insurance scheme for beneficiaries.

c) Social & Environmental Parameters (15% weightage)

The NSFDC's lending policy has a gender norm stating that 40% women shall be covered both in physical and financial terms. The Strategic Plan (2015-2022) of the NSFDC stipulates that NSFDC will focus primarily on areas where the concentration of the target group is high particularly in the backward districts of the country. NSFDC also envisages giving high priority to environmental sustainability and climate change issues while assisting the target group by promoting Green Business. These parameters have been included in the scheme of rating of SCAs.

Methodology of Rating

A rating matrix incorporating the above criteria has been drawn as per details at **Appendix-I**. After finalization of the accounts and audited performance in each financial year, the eligibility compliance self-certificate and performance details of each SCA shall be obtained by 30th November and upon analysis, composite score shall be calculated and provisional rating for each SCA shall be communicated by 30th December. Comments, if any, must be submitted by the SCA before 15th January. The final rating will be informed to the SCA by 31st January.

A Performance Excellence Evaluation Sheet for each SCA shall be prepared as under:

Sl. No.	Parameter	Unit	Weightage	Criteria Values				Achievement	Raw Score	Weighted achievement
				Excellent	VG	Good	Fair			
	Value ---->			1	2	3	4			
1.	Disbursement against Notional Allocation (Current Year)	%	10	110	100	90	80	105	1.50 [1 + (110 - 105)/(110 - 100)]	0.15 (1.50 x 10/100)
2.	Utilization level of funds (last 3 years)	%	10	95	90	85	80	87	2.6 [2 + (90-87)/(90-85)]	0.26 (2.6 x 10/100)
3.	Cumulative Recovery from Beneficiaries	%	15	85	80	75	70	71	3.80 [3 + (75-71)/(75-70)]	0.57 (3.8 x 15/100)

- (i) If the achievement falls between the targets, the Raw scores will be calculated as shown in the Table at Serial No.1,2 & 3 above.
- (ii) The Weighted achievement will be equal to raw score multiplied by weightage/100.
- (iii) In case achievement is a value less than the 'Fair' target, the raw score shall be 4.
- (iv) If achievement is better than 'Excellent' value, the raw score will be pegged at % weightage for that particular parameter.
- (v) Sum total of all weighted achievements will be the composite score.

Rating Criteria

Composite Score	Rating
1.00 – 1.50	Excellent
1.51 – 2.50	Very Good
2.51 – 3.50	Good
3.51 – 4.50	Fair

The top three SCAs in each category standing 1st, 2nd and 3rd shall be awarded NSFDC's National Performance Excellence Award.

Category of Awards

It is proposed that the awards under the Scheme may be given to the SCAs in three categories based on the level of 'Absorption of Disbursement Allocation (Current Year)'. The award comprises a plaque and a cash prize given as under:

(Rs. lakh)

Category	Parameter	Prize			Total
		1 st	2 nd	3 rd	
I	The SCAs availing funds up to Rs.3.00 crore from NSFDC against their Notional Allocation in a particular financial year	5.00	3.00	2.00	10.00
II	The SCAs availing funds more than Rs.3.00 crore and up to Rs.10.00 crore from NSFDC against their Notional Allocation in a particular financial year	7.00	5.00	3.00	15.00
III	The SCAs availing funds more than Rs.10.00 crore from NSFDC against their Notional Allocation in a particular financial year	10.00	6.00	4.00	20.00

The top three SCAs in each category standing 1st, 2nd and 3rd shall be awarded as NSFDC's National Performance Excellence Award.

Utilization of Cash Prize

The SCAs are expected to utilize the amount of the cash prize for the following purposes:

- Computerization of District Offices (Hardware & Software).
- Purchase of two wheelers (Scooter/Motor Cycles) for the field level staff for recovery work in the district.
- Reimbursement of conveyance/cost of petrol, etc. to field staff for recovery purpose.
- Performance incentives in the form of cash rewards to the district/sub-district Office staff for achieving recovery targets.
- Procurement of mobile phones/reimbursement of mobile charges for the District Office staff involved in the recovery.

Explanatory Notes

Financial Parameters (65%)

1. Mobilization of Guarantees (cumulative)

The SCAs are expected to mobilize block guarantees from their governments for a substantial amount so that the funds are disbursed timely. The guarantee requirement will be assessed with respect to the current year's disbursement allocation. The benchmark is full coverage of guarantee and for excellent criteria 20% excess guarantee is required.

Means of verification will be documents furnished by the SCAs to NSFDC.

2. Disbursement against notional allocation (current year) (%)

The SCAs are expected to avail at least 80% disbursement against their notional allocation for achieving benchmark. This will be raised to 110% disbursement against notional allocation for excellent performance.

Means of verification will be NSFDC MIS.

3. Utilization of funds disbursed during last three years (%)

The SCAs are expected to utilize the disbursed funds within 120 days. Utilization means release of funds to suppliers of assets or beneficiaries for grounding of schemes or commencement of business activities timely. In order to measure the performance of SCAs under this criterion, NSFDC will consider only their last three years utilization level. The benchmark will be 80% utilization and it will be raised to 95% for excellent performance.

Means of verification will be NSFDC MIS.

4. Cumulative recovery from beneficiaries

The SCAs need to improve their grass root recovery from beneficiaries by taking required steps. The benchmark is at least 70% field recovery which is increased to 85% recovery level for excellent performance. The SCAs are required to support their claim with due self-certification signed by the Managing Director.

Means of verification will be certification by the MD of SCA.

5. %age of Cumulative Overdues

The SCAs are expected to repay the NSFDC dues timely as per the quarterly demand sent to them. The benchmark is not more than 15% overdues which gets accelerated to 'Nil' overdues for excellent performance.

Means of verification will be NSFDC MIS.

6. Updation of loan accounts of beneficiaries (current year) (%)

The SCAs are expected to update the loan accounts of beneficiaries covered during current year. The benchmark is 90% updation which is further improved to 100% updation for excellent performance. For example, if 10000 beneficiaries are covered in current year and 9000 beneficiaries loan accounts have been updated, it would mean 90% updation. The SCAs are required to support their claim with due self-certification signed by the Managing Director.

Means of verification will be certification by the MD of SCA.

Risk Hedging Parameters (20%)

1. Use of web-based accounting software of NSFDC

Performance of SCAs will be categorized as under:

- Excellent - The SCAs should be using the software with data updated till last month.
- Very good - The SCAs should be using the software with data updation pending for last two months only.
- Good - The SCAs should be using the software with data updation pending for more than two months only.
- Fair - The SCAs not having the software but are in the process of developing the same.

Means of verification would be link of SCA's web based software with NSFDC and self-certification by MD of SCA regarding use of software and data updation.

2. Credit History collection & appraisal systems

Performance of SCAs will be categorized as under:

Excellent - The SCAs are members of four Credit Information Companies (CICs) and are using credit score for term loan and micro credit.

Very good - The SCAs are members of four CICs and are using credit score for term loan only.

Good - The SCAs are members of all four CICs.

Fair - The SCAs are members of only one CIC.

Means of verification will be copies of membership of CICs to be provided by SCAs and self-certification by MD of SCA confirming use of credit score for term loan and Micro credit schemes.

3. Audit of Annual Accounts

Performance of SCAs will be categorized as under:

Excellent - The audit for last year is done by 31st August.

Very Good - The audit for last year is done by 30th September.

Good - The audit for last year is done by 31st October.

Fair - The audit for last year is done by 30th November.

Note: No marks will be given, if there is backlog of audit for more than one year.

Means of verification will be copy of auditor certificate to be furnished by the SCAs.

4. Insurance cover for beneficiaries

The SCAs need to take insurance cover for beneficiaries covering the full repayment period. The benchmark is 70% cover which is increased to 100% cover for excellent performance.

Social and Environmental Parameters (15%)

1. %age of beneficiaries covered from backward Districts

The SCAs are expected to give due weightage to cover beneficiaries from backward districts in their States. The benchmark is 20% coverage from backward districts with respect to total beneficiaries covered which is increased to 35% for excellent performance.

Means of verification will be self-certification by MD of SCAs furnishing the particulars of backward districts and district-wise coverage of number of beneficiaries.

2. %age of Women beneficiaries covered

The SCAs are required to cover minimum 40% women beneficiaries with regard to total beneficiaries for attaining the benchmark level. This has been progressively raised to 55% women coverage for Excellent performance.

Means of verification will be NSFDC MIS.

3. Coverage of Green Business in overall disbursement to the SCAs

The SCAs are to identify economic activities that address the challenges of climate change while supporting sustainable livelihoods of the target group. The benchmark is 5% disbursement under Green Business Scheme as compared to overall disbursement. This is increase to 20% disbursement under Green Business Scheme for excellent performance.

Means of verification will be NSFDC MIS.



नेशनल शेड्यूलड कास्ट्स फाइनेंस एंड डेवलपमेंट कॉर्पोरेशन
(सामाजिक न्याय और अधिकारिता मंत्रालय के अंतर्गत भारत सरकार का उपक्रम)

National Scheduled Castes Finance and Development Corporation

(A CPSE of Ministry of Social Justice & Empowerment, Government of India)

(ISO 9001:2008 Certified Company)

14th Floor, SCOPE Minar, Core 1 & 2, Laxmi Nagar, Delhi-110 092

Phone: 011- 22054392, 22054394, 22054396 Fax: 011-22054395

Website: www.nsfdc.nic.in

e-mail: support-nsfdc@nic.in