



A Study on Entrepreneurial Schemes of NBCFDC

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The National Backward Classes Finance and Development Corporation (NBCFDC) plays a pivotal role in promoting the economic empowerment of backward classes in India through various enterprise development programs. Established under the Ministry of Social Justice and Empowerment, NBCFDC provides financial support, skill development, and other resources to foster entrepreneurship among economically disadvantaged communities. The corporation offers a range of financial products, including loans, subsidies, and venture capital funds, aimed at improving the economic conditions of backward classes. This paper explores NBCFDC's mission, the types of entrepreneurial schemes it supports, and its impact on the socio-economic development of backward classes. With a focus on providing access to financial resources and skill training, NBCFDC helps individuals and communities achieve financial independence and long-term sustainability through entrepreneurship.

Keywords: NBCFDC, Entrepreneurship, Schemes, Loan, Women Empowerment, Self-Help Groups

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1. Introduction

NBCFDC is a specialized national level financial and industrial development bank which has committed to industrial development of India. Towards these goals, NBCFDC provides a number of enterprise development programs to promote entrepreneurship and the small and medium enterprises (SMEs). Such structures provide financial support, consultancy services and other assistance so that the entrepreneur can achieve his/her business goals.

The NBCFDC was well established under the Government of India in the Ministry of Social Justice & Empowerment for economically uplifting the businesses of backward classes and several economic related activities in India. Still another of its primary functions is on business sustainability through extension of different kinds of loans and implementation of skills training. This piece will also focus on the type of business that NBCFDC supports with regards to the entrepreneurial schemes of NBCFDC with special emphasis on how it empowers the backward classes by making them financially independent through entrepreneurship.

2. Policies

a. NBCFDC Policy on determination of Materiality- The objective of the Policy is to determine materiality of events and /or information which are required to be disclosed by Company to Stock Exchange in pursuance with the Listing Regulations and to provide an overall governance framework for such determination of materiality.

b. NBCFDC Sexual Harassment Policy- National Backward Classes Finance and Development Corporation ("The Company") is committed to providing a safe and secure working environment free from sexual harassment for all women. The Company will operate a zero-tolerance policy for any form of sexual harassment in the workplace, treat all incidents seriously and promptly investigate all allegations of sexual harassment.

c. Record Retention Policy- The Objective of the policy is to ensure that all important documents generated or received by the corporation are maintained and preserved in compliance with the applicable statutory provisions and to facilitate destruction of documents that are no longer required at an appropriate time in specific manner.

d. Risk Management Policy- The enterprise risk management helps management in achieving CPSE's Performance and profitability targets. It helps to ensure effective reporting and compliance with laws and regulations and helps avoid damage to the entity's reputation and associated consequences.

3. Beneficiaries of NBCFDC

Beneficiaries of NBCFDC's SDTP are persons belonging to any of the undermentioned categories:-

a. A caste categorized as OBC under State and/or Central Govt. list with annual family income below Rs. 3.00 Lakhs.

b. Economically Backward Classes (EBCs) i.e. those having annual family income of less than Rs. 1.00 Lakh per annum irrespective of caste.

c. Communities categorized as De-Notified, Nomadic & Semi-Nomadic Tribes (DNTs) irrespective of caste or annual income

d. Sr. Citizens i.e. those who are at least 60 years at the time of completion & assessment of training.

e. Transgender on the basis of self-certification or as recognized in any of the Govt., ID proof issued.

f. Victims of Substance Abuse as confirmed by the treatment clinic, Integrated Rehabilitation Centre for Addicts (IRCA).

g. Beggars, as defined in The Bombay Prevention of Begging Act, 1959 should be:

Soliciting or receiving alms, in a public place whether or not under any pretence such as singing, dancing, fortune telling, performing tricks or offering any article for sale;

> entering any private premises for the purpose of soliciting or receiving alms;

> exposing or exhibiting, with the object of obtaining or extorting alms, any sore, wound injury, deformity or disease whether of a human being or of an animal;

> having no visible means of subsistence and wandering about or remaining in any public place in such condition or manner, as makes it likely that the person doing so exists by soliciting or receiving alms;

> allowing oneself to be used as an exhibit for the purpose of soliciting or receiving alms;

4. Benefits for Entrepreneurial Schemes of NBCFDC

1. Financial Assistance: Gives you access to different types of funding such as loans, equity investment and grants.
2. Technical Guidance: Helps to provide specialized guidance and support with creating business strategies, running and managing businesses, and market research.
3. Networking Opportunities: Facilitates links between the businessmen and women and the industry players, investors and other players.
4. Skill Development: These documents support capacity building for training and other similar capacity building programs for the entrepreneurs and their teams.
5. Market Access: For instance, it can help in accessing both domestic and international markets to its clients.

5. Eligibility Criteria for Entrepreneurial Schemes of NBCFDC

- Minimum age limit of beneficiary should be at least 18 years at the time of assessment except in the case of Sr Citizens.
- Members of Backward Classes having annual family income less than double the poverty line (i.e. Rs.81,000/- in rural areas and Rs.1,03,000/- in urban areas) are eligible to obtain loans from NBCFDC.
- In order to get enrolled in NBCFDC's entrepreneurial programmes, the applicant has to fall under the notified Backward Caste List of the state/centre. Moreover, the family income should not exceed double of the poverty line with the minimum of Rs. 300000 per annum irrespective of the area whether it is rural or urban.
- Schemes: The requirements for qualification differ depending on the type of business, the cost of the project, the type of the area among others. In general, there are some requirements regarding the business plan, financial standing and experience of the SME or entrepreneur.

- Most of the scholarships have an application process, which often requires applicants to submit a project proposal, balance sheet among other documents. NBCFDC's personnel scrutinize and assess the applicants' proposals with the aim of disbursement of funds.

Loan Schemes

1) Individual Loan Scheme

Objectives:-

- The loans under Corporation Schemes can be provided for income generating activities, following the due process of the concerned channel partner. The activities could be anything having the potential to provide sustainable income generation for the beneficiary.

Eligibility:-

- Members of Backward Classes, as notified by Central Government/State Governments from time to time.
- Applicant's annual family income should be up to Rs. 3.00 Lakhs

2) Group Loan Scheme

Objectives:-

- Under this scheme, loan assistance is available to Self Help Groups (SHG's) to provide credit facilities for the target group through nominated Channel Partners (State Channelising Agencies/Banks)
- SHGs is a small economically homogeneous and affinity group of people voluntarily formed to save and mutually agree to contribute to a common fund to be lent to its members as per group decisions.

Eligibility:-

- Members of Backward classes as notified by the Central or State Government from time to time.
- Applicant's annual family income should be up to Rs.3.00 Lakh.
- In a SHG at least 60% members must belong to Backward Classes provided other members belong to weaker sections (as per income or economic criteria prescribed by Govt.) including Scheduled Castes/Scheduled Tribes/Minorities and Person with Disabilities (PwD).

Salient Features:-

1.	Maximum loan limit per SHG	Rs.15.00 Lakh
2.	Maximum loan limit per beneficiary	Rs. 1.25 Lakh
3.	Maximum number of persons in one SHG	20

Implementation:-

The scheme is to be implemented by Channel Partners and NBFC-MFI or similar Financial Institutions in rural and urban areas.

Channel Partners

1. Bihar State Backward Classes Finance and Development Corporation
2. Delhi SC/ST/OBC/Minorities & Handicapped Financial & Development Corpn.
3. Gujarat Backward Classes Development Corpn.
4. Maharashtra Rajya Itar MagasVargiya Vitta AniVikas Mahamandal Ltd.
5. Sant Ravidas Madhya Pradesh Hastshilp Evam HathaKargha Vikas Nigam

Popular Entrepreneurial schemes of NBCFDC

1. Credit-Linked Capital Subsidy Scheme (CLCSS)

This is an option that provides capital subsidy to such persons who would wish to set up new industries or expansion of production lines. It reduces the amount of invested capital required thus enhances the financial factor and hence makes projects feasible from a financial perspective. The target population comprises micro, small and medium manufacturing /service sector enterprises.

2. Technology Development Fund (TDF)

Aids research and development undertakings for technology by the entrepreneurs and SMEs for the innovations. Provides North American funding for the development of technologies, the creation of prototypes as well as the commercialization of the market. Any organization dealing with technology-based projects such as Start-ups, small and medium enterprises and research institutions is eligible for the scheme.

3. Micro-Finance Scheme

The main purpose is to provide Financial assistance to micro enterprises and women entrepreneurs. It provides affordable loans at the interest rates that are easy to pay back in order to help small businesses. Micro-enterprises; women entrepreneurs; self-help groups, all of these are eligible.

4. Venture Capital Fund:

The main goal of VCF is to Invest into nascent firms that have great growth potential. It Offers equity financing, mentorship, and networking opportunities Startups in various sectors like technology, health care and renewable energy are eligible.

5. Skill Development Scheme:

The intention behind the implementation training and skill development programs shall be to make business competitive since it boosts the ability of the employee to work. It is offered to entrepreneurs as well as their employees.

6. New Swarnima for Women

This is an exclusively women only scheme meant for women from the backward sections of the society who are below double the poverty line. They can borrow an amount up to of Rs. 1,00,000 at an interest of 5% per annum. NBCFDC comes forward with 95 percent project cost under this scheme

7. Saksham

Saksham is the term loan product offered to young professionals and this product is only targeted for the youths belonging to backward classes. The maximum amount which can be sanctioned as a loan for any beneficiary is Rs. 10 Lakh per beneficiary, with loans up to Rs. 5 Lakh for 6% per annum interest rate and Loans exceeding Rs. 5 Lakh. From Rs. 5 Lakh to Rs.10 Lakh with interest rate of 8% per annum. This scheme subsidizes 85% of the total cost of the project implemented by the selected organizations.

8. Shilp Sampada

The purpose of this scheme is to transform the backward classes into skilled human resources in technical fields and entrepreneurial skills through training and financial assistance in the form of term loans for self employment in traditional crafts and handicrafts. This scheme is always helpful for artisans and handicraft persons of backward classes who were living below double the poverty line for availing loans up to Rs.10 lakh. Loans of maximum amount of Rs. 5 Lakh attract an interest rate of 6% per annum while loans for amounts ranging from Rs. 5 Lakh to Rs. 10 Lakh attract a rate of interest of 8% per annum. Under this scheme, NBCFDC gives financial support of 85% of the project cost.

9. The scheme of Micro Finance for women also known as Mahila Samridhhi Yojana

This branch of micro finance for women only is done by the State casual agencies through NGOs or self help groups. The amount of credit allowed to a beneficiary goes up to Rs. 50000 at an interest of 4% per annum from SCA to the beneficiary. NBCFDC in this scheme, bears 95 percent of the total project cost of the credit linked effective mean Britain fund.

10. Krishi Sampada

It is a unique scheme to help Krishi Sampada for providing concessional loans under micro-finance to the small farmers as well as vegetable vendors of the target group for their funding needed for Rabi, Kharif or any cash crop season. About the loan: loanee can get a loan of an amount of Rs. 50,000 @ an interest of 4% per annum. As said earlier the NBCFDC supports 95% of the project cost under this scheme.

6. Conclusion

NBCFDC's entrepreneurial schemes have significantly contributed to the economic empowerment of backward classes in India. By offering financial assistance, skill development, and networking opportunities, the corporation helps individuals from economically marginalized communities pursue and sustain entrepreneurial ventures. The diverse range of schemes, such as the Credit-Linked Capital Subsidy Scheme, Micro-Finance Scheme, and venture capital funds, cater to a variety of sectors and business needs. Success stories like those of Shri Sunil Kumar Yadav and Smt. Sunita Devi demonstrates the transformative potential of these initiatives. Ultimately, NBCFDC's efforts have not only facilitated financial independence for its beneficiaries but have also contributed to the broader goal of inclusive economic growth and sustainable development in India. Through continuous support and outreach, NBCFDC remains a vital institution in the advancement of backward classes, helping them overcome economic barriers and build prosperous futures.

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