

FAQs

ABOUT NBCFDC

Q.1. What is NBCFDC?

Ans. National Backward Classes Finance and Development Corporation (NBCFDC), a Government of India Undertaking under the aegis of Ministry of Social Justice & Empowerment was incorporated on 13 January, 1992 under Section 25 of the Companies Act, 1956 (now Section 8 of Companies Act 2013) as a Company not for profit with an objective to promote economic and developmental activities for the benefit of Backward Classes and to assist the poorer section of these classes in skill development and self-employment ventures.

Q.2. What is the contact address of NBCFDC?

Ans. NBCFDC has its Registered Office at New Delhi and its full address and contact number is :
National Backward Classes Finance and Development Corporation (NBCFDC),
5th Floor, NCUI Building, 3, Siri Institutional Area, August
Kranti Marg, New Delhi-110016,
Tel : 011-45854400; Toll Free No. : 18001023399
E-mail : info@nbcfdc.gov.in; Website : www.nbcfdc.gov.in.

Q.3. Why was it established?

Ans. It was established to promote economic and developmental activities for the benefit of Backward Classes and to assist the poorer section of these classes in skill development and self-employment ventures.

Q.4. What is its Vision?

Ans. To play a leading role in upliftment of economic status of the target group of Backward Classes.

Q.5. What is its Mission?

Ans. To provide concessional financial assistance to the eligible members of the Backward Classes for Self-employment ventures and Skill Development Training.

OBJECTIVES OF NBCFDC

Q.6. What is the main objective of NBCFDC ?

Ans. Its main objectives are to promote economic and developmental activities, to assist in the upgradation of technical entrepreneurial skills, to assist by way of concessional loans and advances for viable projects and to promote self-employment.

Q.7. How does NBCFDC provide loan?

Ans. NBCFDC provides loan to the target group for income generating activities to generate self-employment opportunities through State Channelising Agencies (SCAs) nominated by respective State Governments/UTs, Public Sector Banks (PSBs), Private Scheduled Banks, Small Finance Banks, Regional Rural Banks (RRBs), and Non-Banking Financial Companies-Micro Finance Institutions (NBFC-MFIs) who have signed MoA with NBCFDC

ABOUT ACTIVITIES & SCHEMES FINANCED

Q.8. For which activities does NBCFDC provide loans?

Ans. The loans under Corporation's schemes can be provided for income generating activities. The activities could be anything which have potential to provide sustainable income generation for the beneficiary or group of beneficiaries.

Q.9. What are the different types of loan schemes of NBCFDC?

Ans. NBCFDC provides 2 types of loans mentioned as under:

- (1.) **Individual Loan Scheme:** Under this scheme, Loans are given upto 85% of the project cost subject to a maximum of Rs.15.00 Lakh per beneficiary. Loans upto Rs. 1.25 Lakh are provided at an interest rate of 7% p.a. for a tenure of 4 years with a moratorium period of 1 quarter. Loans above Rs. 1.25 Lakh and upto Rs. 15.00 Lakh are provided at an interest rate of 8% p.a. for a tenure of 7 years with a moratorium period of 1 quarter. Education Loans upto Rs. 15.00 Lakh can be availed at uniform interest rate of 8% p.a. for a tenure of 10 years (inclusive of moratorium period of 5 years).
- (2.) **Group Loan Scheme:** Under this scheme, loan assistance is available to Self Help Groups (SHGs) to provide credit facilities for the target group. Loans are given upto 90% of the project cost. Maximum loan limit per Group is Rs.15.00 Lakh and loan per beneficiary in SHG is Rs.1.25 Lakh at an interest rate of 6% p.a. for a tenure of 3 years including moratorium period of 1 quarter.
Loans provided to NBFC-MFI or similar financial institutions and backed by Bank Guarantee, or any other suitable security are available at an interest rate upto 16% p.a. for a tenure of 3 years with a moratorium period of 1 quarter.

Q.10. What are the eligibility criteria to obtain loan?

Ans. The eligibility criteria to obtain loan under NBCFDC schemes are :

- a. The applicant should belong to a caste covering under the Other Backward Classes list as notified by State/Central Government from time to time. Relevant Caste Certificate to be issued by relevant authority of District Administration.
- b. Annual family income should be upto Rs.3.00 Lakh per annum irrespective of rural or urban area.

Q.11. What documents are required to prove eligibility for the loan under NBCFDC scheme?

Ans. The following documents are required to prove eligibility for the loan under NBCFDC scheme -
a. Relevant Caste Certificate of Other Backward Classes issued by relevant authority of

District Administration.

- b.** Following certifications to establish the Annual income below Rs. 3.00 lakh can be used by the applicant: -
- i. Certificate of income issued by Competent Authority of State Government/Distt. Administration or Antyodaya Anna Yojana (AAY) Card or Below Poverty Line (BPL) Card
 - ii. Self-Certified Annual family income certificate endorsed by any Gazetted Officer notified by State/Central Government.
 - iii. In case of loan being applied at Bank (Channel Partner), Self-Certification assessed and endorsed by Branch Manager can be used for providing the loan.
 - iv. For Landless agriculture labour, marginalized farmers (those with upto One-hectare land holding) and small farmers (those with upto Two-hectare land holding), as assessed by the Banks through their standard processes and belonging to the Backward Classes will be automatically treated as part of the target group as per following considerations: -
 1. Landless agriculture labour and marginalized farmers with land holding less than One hectare will be deemed as having annual family income below Rs.1.50 Lakh per annum.
 2. Small farmers i.e. those with land holding between One and Two hectares will be deemed as having annual family income below Rs.3.00 Lakh per annum.

Q.12. How much loan can be availed in these schemes and what is interest rate?

Ans. The maximum loan amount per beneficiary and rate of interest under the loan schemes is tabulated as under:

S.No.	Name of Scheme	Max. Loan Limit Per Beneficiary and Group	Pattern of Finance #		Rate of Interest Per Annum		Repayment Period *
			NBCFDC Share	SCA or Benf.	SCAs/Bank	Benef.	
1.	INDIVIDUAL LOAN SCHEME						
(a)	For Income Generating Activities	Rs.15.00 Lakh	85%	15%	Up to Rs. 1.25 lakh		4 Year
					4%	7%	
					Rs.1.25 Lakh to Rs.15.00 lakh		7 Year
(b)	For Education	Rs.15.00 Lakh			5%	8%	Max. 10 Years##
2.	GROUP LOAN SCHEME**						
(a)	To SCAs or Banks	Rs.1.25 Lakh (Max. Rs.15.00 Lakh per group)	90%	10%	3%	6%	3 Years
(b)	To NBFC-MFI or similar Financial Institutions	Rs.1.25 Lakh (Max. Rs.15.00 Lakh per group)			6%	16%	3 Years

Note: All Schemes carry timely payment rebate on annual basis @1% to be equally appropriated between Channel Partners and Beneficiaries

In case of Refinance by Banks, NBCFDC loan will be available upto 100% loan outstanding of eligible beneficiaries; however, disbursement will be made as per Bank's specific demand.

Applicants must have got admission in duly accredited/recognized institute and scored minimum 50% marks in qualifying examination.

* Moratorium period is 1 Quarter under all Loan Schemes except Education Loan wherein moratorium period is 5 years.

**SHGs with atleast 60% members belonging to OBC provided other members are from other weaker sections are eligible for availing loan under Group Loan Scheme

Q.13. Does repayment of installments start just after disbursement of loan?

Ans. No. The repayment of installments starts after the moratorium period as mentioned at Q 12.

Q.14. What is the repayment period?

Ans. Scheme-wise repayment period is mentioned in Q.No. 12.

Q.15. What is the procedure to apply for NBCFDC loan?

Ans. Applicant can apply for NBCFDC loans both through ONLINE and OFFLINE mode

(i) **Online Mode:** Eligible persons desirous of obtaining financial assistance under NBCFDC schemes should submit their loan application through PM-SURAJ Portal (<https://pmsuraj.dosje.gov.in/>) to their concerned Channel Partner. SMS updates are provided to the applicant at different stages of processing of their loan application.

(ii) **Offline Mode:** Eligible persons desirous of obtaining financial assistance under NBCFDC schemes should contact the Distt. Collector or Distt. Manager/Officer/Branch Manager of respective State Channelizing Agencies in their respective States/Distt.

Q.16. Can a beneficiary choose the schemes of his/her preference?

Ans. Yes. Beneficiary can select a scheme according to his/her choice. They have to keep in mind their skill, efficiency, local needs, and infrastructure while selecting the business activity.

Q.17. Can Self Help Groups (SHGs) apply for loans under NBCFDC schemes?

Ans. Yes, NBCFDC provides loans to SHGs under its Group Loan Scheme, provided that at least 60% of the group members belong to Backward Classes.

Q.18. For which educational courses, the Educational Loan is provided by NBCFDC?

Ans. All professional and technical courses at graduate and higher level approved by appropriate authority. Channel Partners are required to do their due diligence in terms of admission criteria (entrance or merit based/subject specific standardized tests or SAT or GMAT or GRE [not based entirely on language proficiency tests such as IELTS or TOEFL for undertaking studies abroad]) of the institute, employability of applicant after undertaking the course, reputation of the institute, alumni network etc.

Q.19. What is the eligibility criteria for obtaining Educational Loan?

Ans. The eligibility criteria for obtaining education loan is as under:-

- In addition to the caste and income criteria mentioned at Q10 & Q11 the applicant should have obtained admission for any professional and technical courses approved by appropriate agency such as AICTE, Medical Council of India, UGC etc. in a duly accredited/recognized institute.
- Applicant must have secured admission to professional/technical courses in India or abroad through Entrance Test/Merit based selection process. Applicant must have received Admission/Offer letter from the concerned institute.
- For pursuing courses abroad, applicant must have secured admission in colleges accepting admission through standardized test scores (such as SAT, GMAT, GRE or other relevant score applicable for admission to the course).

Q.20. What are the expenses covered under Education Loan ?

Ans. Admission Fee & Tuition Fee, Books, Stationery & other instruments required for the course, examination, laboratory & library fees, boarding & lodging expenses, and insurance premium for policy during the loan period. The loan amount will be deposited periodically based on fees demand raised by the Institute (semester or half yearly basis etc.). Academic performance of the student in previous terms will form the basis for subsequent release of fees instalments.

Q.21. What is the maximum loan amount a student can avail of?

Ans. Students can avail a loan covering 85% of the course expenditure, with a maximum limit of ₹15 lakh

Q.22. What are the eligibility criteria for NBFC-MFIs to receive assistance?

Ans. The eligibility criteria for NBFCs-MFIs is as under:

- The NBFC-MFI should be registered with the RBI as Non-Banking Financial Company-Micro Finance Institution (NBFC-MFI).
- The NBFC-MFI should have 3 years of continuous profit track record.
- The NBFC-MFI should have Gross Non-Performing Assets (NPA) less than 2% and net NPA below 0.5% as per their Annual Accounts at the end of the preceding financial year.
- The NBFC-MFI should be a member of a Credit Bureau.
- The NBFC-MFI should have a minimum Capacity Assessment Rating of mfr5 by CRISIL or its equivalent.
- The NBFC-MFI should not have defaulted in repayment of outside borrowings in the last three years or undergone a corporate debt re-structuring.
- The NBFC-MFI should have a proper system for internal accounting, risk management, internal audit, MIS, cash management, etc. and its annual accounts should have been audited in the last three years.
- It will be desirable for the NBFC-MFI to have undergone Code of Conduct Assessment (COCA) with a minimum score of 60 or equivalent.

Q.23. What is the quantum of assistance provided to Group by NBFC-MFI under NBCFDC scheme?

Ans. NBCFDC provides loan up to 90% of the project cost, with a maximum loan of Rs. 1.25 Lakh per beneficiary and Rs. 15.00 Lakh per Self Help Group (SHG). The remaining 10% is contributed by the NBFC-MFI or beneficiaries.

Q.24. Can beneficiaries take a second loan?

Ans. Yes, upon successful repayment of the first loan, beneficiaries can avail of further loans under NBCFDC schemes through NBFC-MFIs or other Channelizing Agencies, subject to fulfilment of eligibility conditions.