



Study Report

on

Third-Party Evaluation to Assess the Impact of Lending Schemes of NBCFDC

By

Arun Jaitley National Institute of Financial Management

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Director's Desk

The National Backward Classes Finance and Development Corporation (NBCFDC) plays a vital role in advancing inclusive growth by extending concessional financial assistance to socially and economically backward communities across the country. Through its network of State Channelising Agencies, financial institutions, and grassroots partners, the Corporation has significantly contributed to promoting self-employment, skill development, and livelihood generation, particularly among low-income households and women.

This evaluation study, entrusted to the Arun Jaitley National Institute of Financial Management (AJNIFM), provides an independent and comprehensive assessment of NBCFDC's lending operations. Covering the period 2020–21 to 2022–23 and spanning 24 States and Union Territories, the study adopts a rigorous mixed-methods approach, combining large-scale beneficiary and non-beneficiary surveys with qualitative insights and secondary data analysis. The use of technology-enabled tools has further strengthened the reliability and depth of the findings.

The report highlights that NBCFDC schemes have had a meaningful and measurable impact on beneficiaries, particularly in terms of income enhancement, asset creation, and enterprise development. High levels of loan utilisation, strong repayment behaviour, and substantial improvements in household incomes reflect the effectiveness and sustainability of the programme. The significant participation of women and the focus on productive investments underscore the inclusive and developmental orientation of the schemes.

At the same time, the study identifies important operational and systemic challenges that need to be addressed. Issues such as delays in fund disbursement, procedural complexities, limited awareness, and barriers to digital access continue to restrict the programme's outreach and efficiency. The findings also point to a considerable unmet demand for concessional credit among eligible non-beneficiaries, indicating the need for scaling up and streamlining interventions.

The report presents a detailed, chapter-wise analysis, including an all-India perspective as well as state-specific insights, thereby providing a nuanced understanding of regional variations and implementation dynamics. The recommendations outlined are practical and forward-looking, focusing on improving fund flow mechanisms, simplifying procedures, strengthening digital systems, enhancing awareness, and institutionalising post-loan support structures.

At a time when inclusive economic development and financial empowerment remain central to national priorities, strengthening the design and delivery of NBCFDC schemes is of paramount importance. The Corporation's decentralised implementation framework and strong grassroots presence position it uniquely to reach underserved populations and drive sustainable socio-economic transformation.

I am confident that the findings and recommendations of this evaluation will serve as a valuable resource for policymakers, programme administrators, and other stakeholders. They will contribute to strengthening the effectiveness, efficiency, and inclusiveness of NBCFDC interventions and support the broader objective of achieving equitable and sustainable development outcomes.

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Preface

The Consultancy Wing of the Arun Jaitley National Institute of Financial Management (AJNIFM), Faridabad, is pleased to present this Third-Party Evaluation Report of the loan schemes implemented by the National Backward Classes Finance and Development Corporation (NBCFDC), under the Ministry of Social Justice and Empowerment, Government of India. The study has been undertaken in accordance with the approved Terms of Reference to assess the effectiveness, outreach, and impact of NBCFDC's concessional credit programmes in promoting socio-economic empowerment among backward classes across the country.

NBCFDC has played a pivotal role in expanding access to affordable credit for economically weaker sections through its extensive network of State Channelising Agencies and partner institutions. By supporting self-employment, skill development, and small enterprise creation, the Corporation has contributed significantly to improving livelihoods, enhancing income opportunities, and fostering inclusive growth. In this context, the present evaluation provides an independent and evidence-based assessment of the Corporation's performance and its developmental outcomes on the ground.

The evaluation adopts a comprehensive and structured methodology, combining both quantitative and qualitative approaches. A large-scale field survey covering beneficiaries and non-beneficiaries across 24 States and Union Territories was undertaken to ensure representativeness. This was supplemented by Focused Group Discussions (FGDs), Key Informant Interviews (KIIs), and a detailed review of administrative records and secondary data. The use of technology-enabled tools for data collection further enhanced the accuracy, reliability, and analytical depth of the study.

The findings indicate that NBCFDC's schemes have had a positive and measurable impact on beneficiaries, particularly in terms of income enhancement, asset creation, and enterprise development. High levels of loan utilisation and strong repayment behaviour reflect both the relevance of the schemes and the financial discipline of the beneficiaries. The study also highlights the inclusive nature of the programme, with significant participation from women and other vulnerable groups.

At the same time, certain operational challenges persist, including delays in fund disbursement, procedural complexities, limited awareness among potential beneficiaries, and constraints related to digital access. These issues point to the need for strengthening implementation mechanisms, improving outreach, and enhancing efficiency to fully realise the programme's potential.

The report presents a comprehensive analysis of the scheme and offers actionable recommendations aimed at improving fund flow systems, simplifying procedures, strengthening digital platforms, and expanding awareness and post-loan support.

AJNIFM expresses its sincere appreciation to NBCFDC and all stakeholders for their continued support and cooperation. It is hoped that this evaluation will serve as a valuable resource for policymakers and programme administrators and contribute to further strengthening NBCFDC's role in advancing inclusive and sustainable socio-economic development in the country.

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Executive Summary

The National Backward Classes Finance and Development Corporation (NBCFDC), established in 1992 under the Ministry of Social Justice and Empowerment, has played a pivotal role in advancing the socio-economic empowerment of the Backward Classes. Through a wide network of State Channelising Agencies (SCAs), public sector banks, and microfinance partners, NBCFDC has implemented concessional loan schemes that promote self-employment, skill development, education, and livelihood creation. These interventions are directed towards low-income households, with a strong focus on the poorest segments and on women's empowerment.

Recognising the need to continuously assess the effectiveness of these schemes, NBCFDC entrusted the Arun Jaitley National Institute of Financial Management (AJNIFM) with an independent third-party evaluation of its lending operations.

Chapter 1: Introduction

The introductory chapter sets the context by outlining NBCFDC's mandate, institutional framework, and the objectives of its loan schemes. It highlights the broad scope of interventions, ranging from agriculture and allied activities to small business promotion, skill-linked education loans, and microfinance through Self Help Groups (SHGs). The Terms of Reference for this study called for a critical assessment of income generation, employment creation, loan utilization, inclusiveness, and institutional efficiency, alongside the identification of systemic challenges and beneficiary-level constraints.

Chapter 2: Approach and Methodology

The evaluation employed a mixed-methods approach to ensure depth, rigour, and representativeness. A total of **1,531 beneficiaries** and an equal number of non-beneficiaries across **24 States/UTs** formed the survey base, covering loans disbursed between 2020–21 and 2022–23. Data were collected through structured questionnaires, Focused Group Discussions (FGDs), and Key Informant Interviews (KIIs) with implementing officials. Secondary data were sourced from official records and reports. The survey was conducted using **Kobo Toolbox** to ensure real-time, GPS-enabled collection. The analysis combined descriptive statistics with inferential tools such as regression, enabling both outcome assessment and identification of causal impacts. This robust methodology provided a credible evidence base for the evaluation.

Chapter 3: All India Analysis

Chapter 3 presents a comprehensive all-India analysis of the NBCFDC loan scheme by consolidating evidence from **1,566 beneficiaries** and **1,534 non-beneficiaries** across 24 States and Union Territories. The chapter moves beyond state-specific perspectives to provide a national picture of how the programme is functioning on the ground—who it is reaching, how loans are being utilised, what improvements beneficiaries experience, and why many

eligible applicants remain outside the net. By examining demographic characteristics, utilisation patterns, income movements, repayment behaviour, disbursal timelines, modes of application, and operational challenges, the chapter highlights both the strengths of the scheme and the systemic constraints that affect its overall effectiveness.

For beneficiaries, the findings indicate that NBCFDC loans have a strong developmental footprint. The programme largely serves individuals in their economically productive years, with overwhelming participation from women—reflecting effective targeting of priority groups. Beneficiaries utilise loans primarily for productive purposes such as raw materials, equipment, and business expansion. The data shows clear upward mobility: both annual and monthly incomes rise after loan uptake, and repayment performance is strong. At the same time, procedural hurdles—particularly delays in disbursal, reliance on offline applications, documentation complexities, and inconsistent collateral practices—continue to constrain beneficiary experience.

For non-beneficiaries, the chapter reveals a contrasting picture of unmet demand. Non-beneficiaries are heavily concentrated in a small cluster of high-demand states such as Kerala, Telangana, Karnataka, Madhya Pradesh, and Uttar Pradesh. Their income profile closely mirrors that of beneficiaries, showing that economically vulnerable households are applying but often not receiving support due to fund shortages, administrative bottlenecks, documentation burdens, digital barriers, and low awareness. Most non-beneficiaries work in informal and low-income occupations, and their income growth remains limited in the absence of timely credit. Despite these challenges, a large majority express willingness to apply again, signalling trust in the programme and a continued need for affordable credit.

Key Findings

A. Key Findings – Beneficiaries

➤ Utilisation of Loan

Beneficiaries demonstrate exceptionally high financial discipline, with 100% reporting complete utilisation of the loan for the intended productive purposes. The largest shares go towards raw materials, tools and machinery, and business expansion, confirming that loans directly support income-generating activities rather than consumption. This full utilisation also indicates that loan amounts are appropriately sized to beneficiary needs.

➤ Repayment Behaviour

Repayment patterns are strong, with 88.10% repaying regularly, only 10.41% irregular, and defaulters at 1.47%. Such performance reflects responsible financial behaviour and suggests that the enterprises supported through NBCFDC loans are generating adequate returns to service debt consistently. The low default rate also affirms the programme's creditworthiness and sustainability.

➤ Annual Income Before and After Loan

Before the loan, 52% of households were in the lowest income band (0–1.5 lakh).

After the loan, this dropped sharply to 35.76%, indicating upward income mobility. The most significant shift is the emergence of an “Above 3 lakh” category, rising to 27.65% after the loan, showing that many households moved into higher earning brackets following business improvements made possible through credit.

➤ **Average Monthly Income Before and After Loan**

Average monthly income increased from ₹17,096 before the loan to ₹23,348 after the loan—an increase of 36.56%. This sizable jump underscores the effectiveness of the loan in enhancing business productivity, stabilising livelihoods, and generating sustained increases in household earnings.

➤ **Creation of Assets / Productive Use**

Loan funds were largely used to strengthen productive capacity—through acquisition of tools, machinery, raw materials, working capital, and expansion of enterprise space. Beneficiaries also invested in marketing and training, indicating broader capability enhancement. These patterns show that the scheme contributes not only to income but also to long-term asset creation and enterprise growth.

The most common use is purchase of raw materials (24.98 percent), which directly supports day-to-day business operations. This is followed by tools and machinery (18.84 percent) and business expansion or additional space (17.49 percent), suggesting that many households are aiming to grow their enterprises.

A considerable share also uses loans for working capital (17.17 percent), reflecting the need for liquidity in small businesses. Other uses such as marketing, training and debt repayment appear in smaller proportions but still contribute meaningfully to livelihood strengthening.

This section has been elaborately covered with assets created by beneficiaries in Chapter 3 of the evaluation report.

➤ **Satisfaction Levels of Beneficiaries**

Across state reports, around 70–90 per cent of beneficiaries rate their overall satisfaction with the loan scheme at 4 or 5 on a five-point scale, indicating strong approval of the scheme design and delivery.

Satisfaction with agency guidance, staff behaviour, fund disbursement, and loan approval processes is particularly high, with approximately 80–100 per cent of beneficiaries across states reporting being satisfied or very satisfied.

Improvements in income stability, asset ownership, food and clothing standards, and debt repayment capacity are reflected in satisfaction levels, with about 60–85 per cent of beneficiaries reporting positive outcomes (ratings 4 or 5).

The satisfaction levels have been elaborated in each of the state reports.

B. Key Findings – Non-Beneficiaries

➤ Geographic Concentration of Exclusion

Nearly 70% of all non-beneficiaries come from just five high-demand states—Kerala, Telangana, Karnataka, Madhya Pradesh, and Uttar Pradesh. Their exclusion stems not from ineligibility but from fund shortages, pending sanctions, and administrative delays, showing that capacity constraints, rather than applicant profile, drive non-receipt of loans.

➤ Income Profile Shows Strong Unmet Need

More than 80% of non-beneficiaries fall in low- and mid-income groups, mirroring beneficiary characteristics. This indicates that vulnerable households with genuine credit needs are being left unsupported. Income stagnation is evident: nearly three-fourths experience no meaningful income growth, highlighting the consequences of credit exclusion.

➤ Low Awareness and High Procedural Barriers

Almost 62% of non-beneficiaries were unaware of NBCFDC schemes. Among those who were aware, many struggled with paperwork (19.9%), digital application challenges (21.9%), collateral-related uncertainties (25.1%), and long processing times. These challenges show that procedural bottlenecks prevent eligible households from completing the loan cycle.

➤ Occupational and Sectoral Demand Patterns

Non-beneficiaries primarily belong to business, daily wage labour, and agriculture, which are sectors heavily dependent on working capital. Their loan demand also reflects this pattern, with high interest in small business, general-purpose, education, and transport loans. Persistent unmet demand in these occupations underscores systemic financing gaps.

➤ Strong Future Intent despite Barriers

Despite exclusion, 75% of non-beneficiaries intend to apply again, reflecting a continued need for affordable credit and strong trust in the NBCFDC system. This suggests that addressing fund flow, documentation, and awareness issues could rapidly expand outreach and improve programme impact.

Chapter 4: State Reports

Following the all-India assessment, Chapter 4 presents **state-wise reports covering 24 States and Union Territories**. These provide a disaggregated view of implementation, highlighting regional variations in awareness, uptake, disbursement timelines, loan utilization, and repayment behaviour. Each state report reflects the local socio-economic context, the performance of SCAs, and the unique challenges and best practices observed on the ground. Together, they form the empirical foundation of this evaluation, ensuring that national-level findings are grounded in diverse, state-specific experiences.

Chapter 5: Conclusion and Way Forward

The evaluation concludes that NBCFDC schemes have had a transformative impact on beneficiaries by increasing access to affordable credit, supporting entrepreneurship, raising incomes, and improving living standards. The strong participation of women, especially through SHG models, is a notable achievement. At the same time, persistent gaps in fund flows, awareness regarding the loans, loan categorization, digital access, and post-loan support need improvement for the next cycle of loan schemes.

Going forward, NBCFDC must focus on streamlining fund flows, ensuring standardised classification and reporting, and strengthening digital platforms for transparent and efficient operations. Awareness campaigns may be scaled up through community-based mobilisers, media, and local institutions. Inclusivity can be enhanced by quota-based targets for women and youth, alongside greater promotion of education and special loan products. Beyond disbursement, NBCFDC may institutionalise structured post-loan mentoring, financial literacy modules, and micro-insurance mechanisms to ensure sustainability. Thus, the conclusion chapter informed the recommendations made by the evaluation conducted.

Recommendation for Continuation of Scheme

In sum, the third-party evaluation finds that NBCFDC loan schemes have been largely successful in delivering affordable finance and enabling upward economic mobility among backward communities. With strategic reforms in design, delivery, and post-loan support, these interventions can be scaled up to achieve deeper inclusion, resilience, and long-term socio-economic empowerment.

NBCFDC loan schemes are uniquely placed with its decentralized mechanism of implementation to provide financial benefits to the last mile of beneficiaries. Thus, the scheme should be continued with the recommendations informed by this report in Chapter 5.

The actionable points are given in brief below:

1. Ensure Predictable and Timely Fund Flows to SCAs

Introduce a time-bound fund release calendar with periodic monitoring to prevent stagnation, ensure continuous liquidity, and avoid delays in loan sanctioning and disbursement.

2. Simplify Documentation and Standardise Procedures

Rationalise documentation requirements, simplify application forms, and standardise procedures across SCAs to reduce processing time and improve beneficiary experience.

3. Standardise Scheme Classification and Reporting Frameworks

Develop a uniform scheme classification and reporting framework, supported by regular training of SCA and field staff, to improve data quality and consistency nationwide.

4. Revise Income Eligibility Criteria to Expand OBC Coverage

Enhance the Annual Family Income eligibility ceiling from **₹3.00 lakh to ₹6.00 lakh per**

annum to widen coverage and include economically vulnerable OBC households currently excluded from concessional credit support.

5. Reduce Loan Approval and Disbursement Timelines

Introduce service-level benchmarks (SLAs) for loan processing and adopt digital tracking systems to minimise administrative delays and verification backlogs.

6. Strengthen Digital Platforms with Assisted Access Models

Promote universal adoption of user-friendly digital loan systems, complemented by facilitation centres and hybrid online–offline support, especially in rural and low-literacy regions.

7. Expand Awareness, Outreach, and Financial Literacy Initiatives

Implement structured awareness campaigns through community institutions, SHGs, and Panchayati Raj bodies, alongside mandatory financial literacy and repayment counselling.

8. Enhance Post-Loan Support and Market Linkages

Establish structured post-loan mentoring, market linkage facilitation, and enterprise support services to improve livelihood sustainability and repayment capacity.



Chapter 1

Introduction



Chapter 1: Introduction

1.1 Introduction and Background

The National Backward Classes Finance and Development Corporation (NBCFDC), under the Ministry of Social Justice and Empowerment, Government of India, was established in 1992 to promote the economic empowerment of socially and economically disadvantaged sections of the Backward Classes (BCs). Since its inception, NBCFDC has been implementing a range of concessional loan schemes aimed at supporting self-employment, income generation, and skill development in sectors such as agriculture, trade, transport, and services.

The schemes are targeted at individuals and households with an annual family income of up to ₹3.00 lakh, with at least 50% of the assistance reserved for those earning below ₹1.50 lakh. These programmes are delivered through a decentralized network of Channel Partners, including State Channelising Agencies (SCAs), Regional Rural Banks (RRBs), and Nationalized Banks. NBCFDC also supplements financial assistance with skill development initiatives to enhance the technical and entrepreneurial capacities of beneficiaries, thereby strengthening the foundation for sustainable livelihoods.

Given the continued implementation of these schemes since 1992, NBCFDC periodically undertakes third-party impact evaluations to assess their effectiveness, relevance, and operational efficiency at grassroots level. These evaluations are conducted from time to time in accordance with Government of India guidelines to ensure that the Corporation's interventions remain impactful, inclusive, and aligned with policy goals. Some of the important Third-Party Evaluation studies in the past have been conducted by IIPA, Centre for Market Research and Social Development, etc.

In this context, NBCFDC released an advertisement inviting online tenders to conduct an Impact Study of its lending schemes. The Arun Jaitley National Institute of Financial Management (AJNIFM) submitted a bid and was awarded the evaluation study through a competitive bidding process.

The objective of this study is to undertake a critical evaluation of the design, implementation, and outcomes of NBCFDC's financial interventions. The scope of the study includes:

- Assessing the impact of the schemes on income enhancement, employment generation, and livelihood sustainability
- Evaluating the reach and accessibility of schemes across different states and socio-economic settings
- Reviewing the performance of Channel Partners in terms of delivery efficiency and service responsiveness
- Analysing loan utilization patterns, adequacy of post-disbursement support, and follow-up mechanisms

- Identifying systemic and beneficiary-level challenges, such as delays in disbursement, procedural bottlenecks, monitoring gaps, and training deficiencies

The study also covers aspects such as recovery performance, grievance redressal, and beneficiary satisfaction, providing a comprehensive assessment of the programme's efficiency and impact. The findings are expected to contribute to evidence-based recommendations aimed at improving the inclusiveness, delivery, and long-term effectiveness of NBCFDC's schemes.

1.2 The Terms of Reference (ToR) of the Study

The study was awarded with the following specific Terms of Reference (ToR):

- To assess the effectiveness of the loan schemes in achieving their intended outcomes, objectives and outputs.
- Determine the extent to which the schemes have improved the income, employment, and living standards of beneficiaries.
- Identify and barriers or challenges faced by beneficiaries in accessing and utilizing the loans.
- Provide the recommendations for improving the design and implementation of the loan schemes.

1.3 Scope of Work

- Access to Loans:** Analysis of the application process, approval rates, and disbursement procedures.
- Utilization of Loans:** Examination of how beneficiaries have utilized the loans and the sectors in which they invested.
- Economic Impact:** Evaluation of changes in income, employment status, business growth, and asset acquisition.
- Social Impact:** Assessment of improvements in living standards, education, healthcare, and social status.
- Impact Study on Local Economy:** Assessment of how concessional loans have contributed to broader economic activities, income generation, and employment creation within local communities. Employment generation will be assessed on the following parameters:
 - Self-Employment
 - Job Creation
 - Impact on the Informal Sector
- Barriers and Challenges:** Identification of issues related to awareness, accessibility, repayment, and other obstacles faced by beneficiaries.

- g. Institutional Efficiency: Evaluation of the role and effectiveness of State/UT agencies and banks in implementing the schemes.

1.4 Lending Schemes: Scope and Coverage

NBCFDC currently implements seven key loan schemes, broadly categorized under term loans, education loans, and microfinance-based group lending. These schemes are tailored to meet the needs of different demographics, geographies, and sectors with the objective to promote income-generating and developmental activities by financing viable self-employment projects, supporting education across general, technical, and vocational streams, enhancing technical and entrepreneurial skills, and facilitating group lending and microfinance models through Self-Help Groups (SHGs) and Microfinance Institutions (MFIs).

The Corporation extends loan assistance to support self-employment ventures across the following key sectors:

Agriculture and Allied Activities	Small Business/Artisan & Traditional Occupation
Transport Sector & Service Sector	Technical & Professional Trades/Courses

Term Loan Schemes

These include loans for self-employment across activities such as agriculture, services, transport, and trade. The flagship schemes include:

a) **General Loan Scheme:** Under this scheme, loan assistance is offered for a wide range of income-generating activities across various sectors, including Agriculture and Allied Activities, Small Business/Artisan and Traditional Sectors, as well as the Transport and Service Sector. Financial support of up to 85% of the project cost is provided, subject to a maximum of ₹15.00 lakh per beneficiary. The interest rate is structured as follows: loans up to ₹5.00 lakh are charged at 6% per annum; loans above ₹5.00 lakh and up to ₹10.00 lakh at 7% per annum; and loans above ₹10.00 lakh and up to ₹15.00 lakh at 8% per annum. The repayment period under the scheme is eight years.

b) **New Swarnima for Women:** This scheme provides loan assistance specifically for women from Backward Classes, aiming to foster self-reliance.

Loans cover up to 95% of the project cost, with a maximum loan limit of ₹2.00 lakh per beneficiary. The loans carry an interest rate of 5% per annum, with a repayment period of eight years.

c) **Education Loan Scheme:** Under this scheme, loan assistance is available to students belonging to Backward Classes who have secured admission in professional or technical courses approved by recognized bodies such as AICTE, Medical Council of India, UGC, etc., at accredited institutions. Applicants must have obtained a minimum of 50% marks in the qualifying examination. Loans cover up to 90% of the course fees for studies within India and up to 85% for studies abroad. The maximum loan limit is ₹15.00 lakh per student for domestic studies, with an interest rate of 4% per annum (3.5% p.a. for girl students). For studies abroad,

the maximum loan limit is ₹20.00 lakh per student, also at 4% p.a. interest (3.5% p.a. for girl students). The repayment tenure is 15 years, including a moratorium period of 5 years.

Microfinance and SHG-Based Lending

d) **Micro Finance Scheme:** Under this scheme, loan assistance is provided to Self Help Groups (SHGs) to extend credit facilities to the target group, particularly mixed group beneficiaries. Financial support is available for up to 90% of the project cost, with a maximum loan limit of

₹15.00 lakh per SHG and ₹1.25 lakh per individual beneficiary. The loans carry an interest rate of 5% per annum and are to be repaid within a period of four years.

e) **Mahila Samridhi Yojana:** Under this scheme, loan assistance is extended to Self Help Groups (SHGs) to facilitate credit access for the target group, with a particular focus on women beneficiaries. Financial support of up to 95% of the project cost is provided, with a maximum loan limit of ₹15.00 lakh per SHG and ₹1.25 lakh per individual beneficiary. The loans are offered at a concessional interest rate of 4% per annum, with a repayment tenure of four years.

f) **Small Loan Scheme:** Under this scheme, loan assistance is provided to individual beneficiaries to extend credit facilities to the target group. Financial support covers up to 85% of the project cost, with a maximum loan limit of ₹1.25 lakh per beneficiary. The loans carry an interest rate of 6% per annum and are repayable over a period of four years.

g) **NBFC-MFI Loan Scheme:** Under this scheme, loan assistance is extended through Micro Finance Institutions (MFIs) to Self Help Groups (SHGs). Financial support is provided for up to 90% of the project cost, with a maximum loan limit of ₹15.00 lakh per SHG and ₹1.25 lakh per individual beneficiary. The loans are offered at an interest rate of 12% per annum, with a repayment period of four years.

1.5 Chapterization

The study has been divided into the following chapters:

Chapter-1 provides the contextual foundation of the study by outlining the mandate and institutional role of NBCFDC in delivering concessional loans for the socio-economic advancement of Backward Classes. It defines the Terms of Reference guiding the evaluation and examines the scope, coverage, and delivery mechanisms of the Corporation's lending schemes through its Channel Partners. The chapter also offers a comparative perspective with NSFDC to position NBCFDC within the broader institutional landscape of targeted financial inclusion initiatives.

Chapter -2 outlines the evaluation methodology adopted for the study. It details the sampling framework, including the selection of states, districts, beneficiaries, and Channel Partners. The chapter describes both quantitative and qualitative methods employed for data collection and analysis, along with the tools and techniques used for field-level assessment. The methodological rigor is discussed to relevance of the findings. Overall, this chapter presents the analytical blueprint that guides the entire evaluation.

Chapter- 3 All India level analysis presenting the core findings of the evaluation across the states. It provides a disaggregated view of the performance of Channel Partners, and experiences of beneficiaries. The analysis draws upon field data to highlight socio-economic outcomes, loan utilization trends, accessibility issues, and program impact at the grassroots level. Demographic patterns, and sector-specific observations are presented to capture the diversity of beneficiary experiences across States/UTs. The state reports serve as the empirical backbone of the report.

Chapter-4 State wise reports based on the field survey conducted

Chapter- 5 Conclusion and Recommendations



Chapter 2

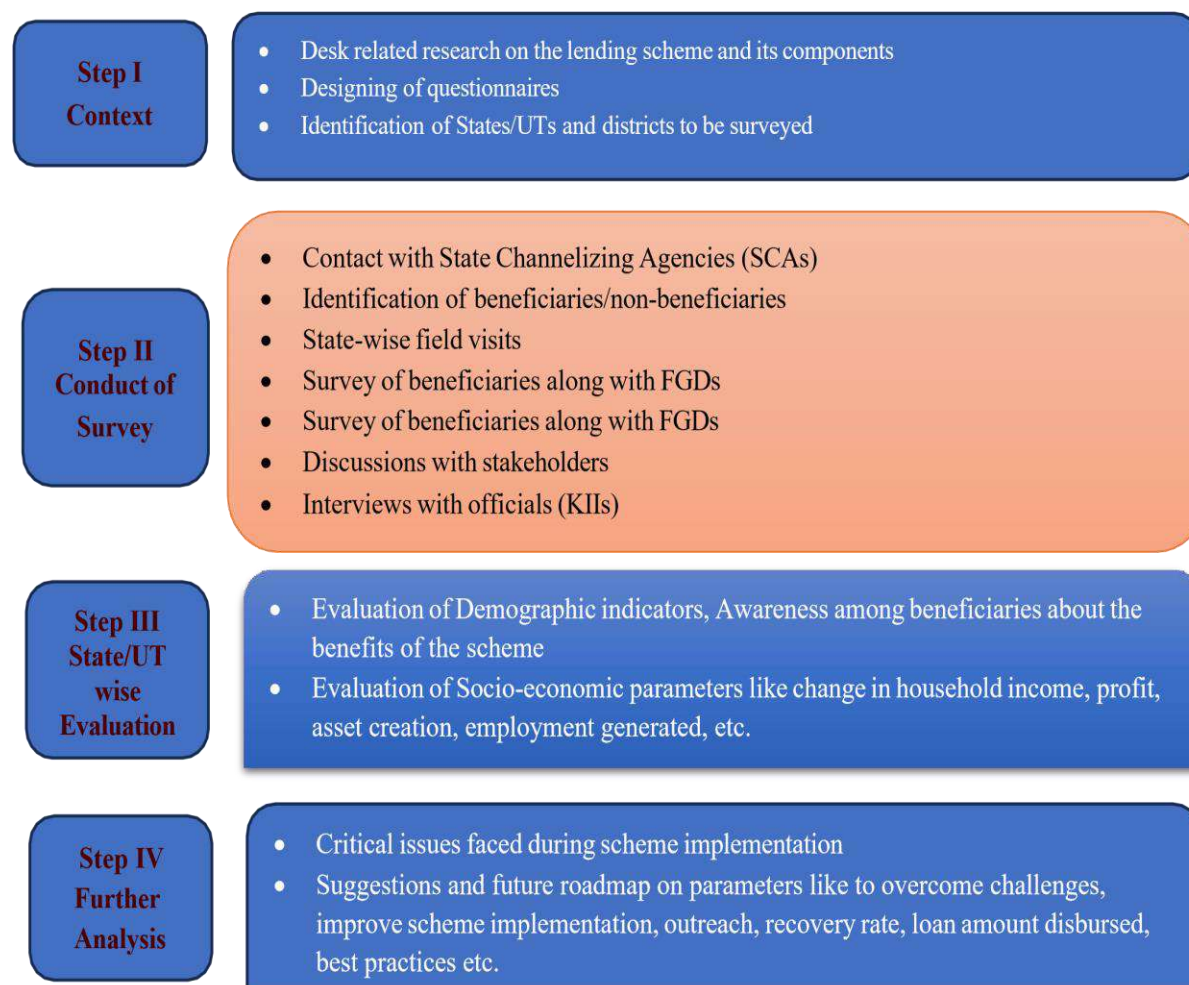
Approach & Methodology



Chapter 2 Approach & Methodology

2.1 The purpose of the study is to evaluate and assess effectiveness of the scheme in terms of the outreach, and overall socio-economic impact of the lending schemes of the National Backward Classes Finance and Development Corporation (NBCFDC). The study further seeks to evaluate how effectively these intermediaries are delivering financial support to the targeted beneficiaries, particularly individuals and communities belonging to the backward classes, and to what extent the intended developmental outcomes are being achieved. To achieve the said objective, a detailed study of the structure and components of the scheme, role of the implementing agencies and implementation on ground implementation to identify critical issues and challenges. It also analyses the schemes' effectiveness in benefitting targeted individuals and the impact generated at the community level.

The Flow Chart of the research methodology has been given below:



2.2 Sampling Framework

To conduct the evaluation study of the 7 lending schemes the sampling methodology is developed to ensure representativeness and statistical robustness. The universe for the study comprises 4.11 lakh beneficiaries who availed loans under NBCFDC schemes during FY 2020–21, 2021–22, and 2022–23. The sample size was calculated using Cochran’s formula for a 95% confidence level and 2.5% margin of error, resulting in a final sample of 1,531 beneficiaries across schemes and 24 states/UTs.

2.3 Time Frame & Data Collection

Time Framework: The evaluation report is based on beneficiaries who availed loan schemes from NBCFDC during the financial years 2020-21, 2021-22, and 2022-23. The evaluation study was commissioned by NBCFDC in the year 2025.

Data Collection: The data is sourced from both the secondary and primary sources. **Secondary data** was collected through official records, reports, and beneficiary databases shared by the respective **State Channelising Agencies (SCAs)**. This included lists of beneficiaries under various NBCFDC lending schemes for the reference period covering financial years 2020–21 to 2022–23. A series of correspondences were undertaken with SCAs across all participating States and Union Territories prior to the commencement of field visits.

In parallel, **primary data** was collected through structured interviews, household surveys, and direct interactions with beneficiaries, non-beneficiaries, and implementing officials. This dual-source approach has enabled the study team to cross verify reported outcomes, identify gaps between records and field realities, and generate a more reliable and nuanced evidence base for the evaluation.

2.4 Primary Data Collection:

Questionnaire: Three distinct sets of questionnaires were developed to facilitate comprehensive data collection for the evaluation. The first set was administered to individual beneficiaries across 24 States and Union Territories to capture their experiences with the lending schemes, including details such as the amount of loan applied for versus disbursed, time taken for disbursement, receipt of training, and perceived benefits or challenges encountered.

The second set targeted non-beneficiaries to understand the reasons for their nonparticipation, including lack of awareness, procedural barriers, or other access-related constraints. The third set was designed for State Channelising Agencies (SCAs)/Channel Partners (CPs) to gather institutional insights on implementation processes, challenges faced during disbursement, monitoring mechanisms, recovery rates, and suggestions for improving scheme delivery and efficiency.

Field Visits: Field visits are being carried out across the 24 selected States and Union Territories, in alignment with the sample size provided by NBCFDC. The survey is being conducted entirely through **on-ground, physical data collection through Kobo Toolbox**, a digital platform that enables real-time, GPS-enabled data capture ensuring a comprehensive

and first-hand assessment of the scheme's implementation and impact at the grassroots level. During the fieldwork, the evaluation team engaged directly with key stakeholders, including beneficiaries and Channel Partners, to gather qualitative insights and firsthand accounts of their experiences. To support documentation and enhance the credibility of observations, **geo-tagged photographs and video recordings** were captured at each site. This approach not only strengthens the evidence base of the study but also facilitates more accurate analysis and reporting of field-level findings.

Interviews: Detailed interviews and interaction with the beneficiaries along with Focused Group Discussions (FGDs) were also carried out during the field visits and their views were taken in the context of loan disbursed during the period. The data so collected were analysed and interpreted to draw inferences and analysis.

The team also conducted one-on-one Key Informant Interviews (KIIs) with senior officials from NBCFDC, nodal officers overseeing state-level coordination, representatives from State Channelizing Agencies (SCAs), district-level SCA officials and implementing bank personnel, as well as field officers responsible for loan disbursement and monitoring.

Secondary Data Collection:

Secondary research, mainly through internet and published sources has been done for assessment. Data has been collected from official documents, including loan scheme details, annual reports, and financial records, were reviewed to gain contextual information about the schemes. Media reports and articles offered further insights into the public perception and regional variations in the impact of the schemes.

2.5 Methods of Data Analysis

i. **Descriptive Analysis:** To establish a foundational understanding of the data collected from the beneficiaries, non-beneficiaries, and State Channelising Agencies (SCAs) across 24 States/UTs, descriptive statistical techniques are being employed. Measures such as mean, median, standard deviation, and frequency distribution are used to summarize the characteristics of the sample and to provide a state-wise overview of the implementation of NBCFDC lending schemes. This enables the identification of demographic trends, usage patterns, and scheme related challenges at the grassroots level. The descriptive analysis also facilitates the classification of responses based on socio-economic profiles, access to credit, type of assistance received, and preliminary outcomes.

ii. **Inferential Analysis:** To go beyond surface-level trends and examine the causal relationships between variables, inferential statistical techniques will be applied in subsequent stages of the analysis. Specifically, regression analysis will be used to study the impact of loan assistance on key outcome variables such as income enhancement, employment generation, and financial resilience. This will help assess the statistical significance and strength of association between the support extended through the schemes and the socio-economic improvements observed among the beneficiaries. These techniques provide evidence-based insights that support the evaluation of the schemes' effectiveness in achieving their intended objectives.

2.6 Sampling Frame & Field Plan

For the purpose of this evaluation study, NBCFDC furnished a structured sampling frame comprising the names of selected States and Union Territories along with the prescribed sample size for each. This framework guided the distribution of the survey sample across the 24 States/UTs covering minimum 2 districts in each State/UTs, ensuring proportionate representation of beneficiaries in line with NBCFDC's operational priorities and scheme outreach. The data collection exercise was carried out in alignment with this framework to ensure coverage as per the defined sample distribution as elaborated in Chapter 3

a) Control Group Sample Size Determination

To facilitate a rigorous impact assessment, the evaluation study includes a control group comprising individuals who have not availed benefits under NBCFDC's loan schemes. The inclusion of this group enables a comparative analysis of key outcome indicators between beneficiaries and non-beneficiaries, thereby helping to isolate the effects attributable to the scheme.

b) Sample Size and Allocation

In accordance with the sampling strategy, the size of the control group in each provided 24 States and Union Territory (UTs) has been kept equivalent to that of the beneficiary group. This one-to-one sample ratio allows for balanced comparisons across all regions included in the study. The control group is proportionally allocated across states, reflecting the same geographical distribution as the beneficiary sample.

c) Identification of non-beneficiaries

A key challenge encountered during the study was the identification of an appropriate control group. To address this, the study team initially explored the possibility of sourcing data from the records of implementing banks and Channelizing Partners, particularly focusing on individuals who had applied for financial assistance but were not sanctioned loans. This would allow for the creation of a comparative group comprising those eligible under the scheme but who did not ultimately benefit from it.

Accordingly, eligible individuals for inclusion in the control group are being identified through a two-pronged approach:

- **Administrative records** provided by NBCFDC and State Channelising Agencies (SCAs), particularly those pertaining to individuals who applied for but did not receive loans
- There was a problem in identifying the control group and we thought that one way to get hold the data from records through banks and Channelizing partners
- **Consultations with SCAs** to identify individuals from similar socio-economic backgrounds who have not benefitted from NBCFDC assistance but would otherwise qualify.

d) Matching & Comparability

To ensure comparability, respondents in the control group are being identified using basic matching techniques based on key demographic and socio-economic characteristics, such as age, gender, occupation, and location. The matching process is designed to minimise selection bias and ensure that both groups are similar in all respects except for their exposure to NBCFDC assistance. This methodological alignment strengthens the internal validity of the study and provides a credible counterfactual for evaluating the outcomes of the intervention.

2.7 Scheme Implementation Agencies

NBCFDC extends financial assistance through State Channelizing Agencies (SCAs) designated by State Governments/UTs, as well as through Public Sector Banks (PSBs) and Regional Rural Banks (RRBs).

Following is the list of the 43 State Channelizing Agencies (SCAs) in the following States/UTs:

S.NO.	Agency Name	State/UTs
1.	Andhra Pradesh Backward Classes Co-operative Finance Corporation Ltd.	Andhra Pradesh
2.	Assam Apex Weavers & Artisans Coop. Federation Ltd.	Assam
3.	Assam State Development Corporation for Other Backward Classes Ltd.	Assam
4.	Bihar State Backward Classes Finance & Development Corporation	Bihar
5.	Chandigarh SC/BC and	Chandigarh (UT)
6.	Chhattisgarh State Antyavasai Sahakari Vitta Evum Vikas Nigam	Chhattisgarh
7.	D. Devaraj Urs Backward Classes Development Corporation	Karnataka
8.	Delhi SC/ST/OBC/Minorities & Handicapped Financial & Development Corp.	Delhi (NCT)
9.	Goa State Scheduled Castes & Other Backward Classes Finance & Development Corporation Ltd.	Goa
10.	Gujarat Backward Classes Development Corp.	Gujarat
11.	Gujarat Gopalak Development Corporation Ltd	Gujarat
12.	Gujarat Nomadic & Denotified Tribes Development Corporation	Gujarat
13.	Gujarat Thakor & Koli Vikas Nigam	Gujarat
14.	Handicrafts Development Corporation of Kerala Ltd.	Kerala
15.	Haryana Backward Classes & Economically Weaker Sections Kalyan Nigam	Haryana
16.	Himachal Backward Classes Finance & Development Corporation	Himachal Pradesh
17.	Jammu & Kashmir SCs, STs & OBCs Development Corporation Ltd	Jammu & Kashmir
18.	Jammu & Kashmir Women's Development Corporation	Jammu & Kashmir
19.	Jharkhand State Tribal Cooperative Development Corporation Ltd.,	Jharkhand
20.	Karnataka Vishwakarma Communities Development Corporation Ltd.	Karnataka
21.	Kerala State Artisans' Development Corporation Ltd.	Kerala
22.	Kerala State Backward Classes Development Corporation Ltd.	Kerala
23.	Kerala State Co-operative Federation for Fisheries Development Ltd. (MATSYAFED),	Kerala
24.	Kerala State Development Corporation for Christian Converts from SCs & Recommended Communities (Ltd.)	Kerala

S.NO.	Agency Name	State/UTs
25.	Kerala State Palmyrah Products Development and Workers' Welfare Corporation Ltd.	Kerala
26.	Madhya Pradesh Pichhara Varg Tatha Alpasankhayak Vitta Avam Vikas Nigam	Madhya Pradesh
27.	Maharashtra Rajya ItarMagas Vargiya Vitta AniVikas Mahamandal Ltd.	Maharashtra
28.	North Eastern Development Finance Corporation Ltd.	Assam
29.	Puducherry Backward Classes and Minorities Development Corporation Ltd.	Puducherry (UT)
30.	Punjab Backward Classes Land Development and Finance Corp.	Punjab
31.	Rajasthan Other Backward Classes Finance & Development Cooperative Corporation Ltd.	Rajasthan
32.	Sant Ravidas Madhya Pradesh Hastshilp Evam Hatha Kargha Vikas Nigam	Madhya Pradesh
33.	Sikkim Scheduled Castes, Scheduled Tribes & Other Backward Classes Development Corporation Ltd. (SABCCO)	Sikkim
34.	Stree Nidhi Credit Co-operative Federation Ltd.	Telangana
35.	The Kerala State Women's Development Corporation Ltd.	Kerala
36.	The Kerala State Women's Development Corporation Ltd.	Kerala
37.	The Odisha Backward Classes Finance & Development Co-operative Corporation Ltd.	Odisha
38.	U. P. Sahkari Gram Vikas Bank Ltd.	Uttar Pradesh
39.	Uttar Pradesh Pichhara Varg VittaAvam Vikas Nigam Ltd.	Uttar Pradesh
40.	Uttarakhand Bahuudeshiya Vitta Evam Vikas Nigam	Uttarakhand
41.	Vasandrao Naik Vimukta Jatis & Nomadic Tribe Development Corporation Ltd.	Maharashtra



Chapter 3

All India Analysis



Chapter 3: All India Analysis

3.1 Introduction

The All-India Analysis provides a comprehensive overview of the findings emerging from the survey across the country. This chapter consolidates responses from beneficiaries nationwide to identify common trends, patterns, and challenges in the implementation of the loan schemes. By examining parameters such as time taken for loan disbursement, mode of application, collateral requirements, issues faced by beneficiaries, and the categories of loans availed, the analysis offers a holistic picture of the scheme's outreach and effectiveness.

The purpose of this section is to move beyond state-specific perspectives and present a pan-India assessment that highlights both the strengths and gaps in the programme. Such an aggregated analysis not only underscores the areas where the scheme has been successful but also brings forward systemic issues that need policy attention for improving efficiency, inclusiveness, and impact at the national level.

3.2 Sample Size Taken for Survey

For the purpose of this evaluation study, NBCFDC furnished a structured sampling frame comprising the names of selected States and Union Territories along with the prescribed sample size for each. This framework guided the distribution of the survey sample across the 24 States/UTs covering minimum 2 districts in each State/UTs, ensuring proportionate representation of beneficiaries in line with NBCFDC's operational priorities and scheme outreach. The data collection exercise was carried out in alignment with this framework to ensure coverage as per the defined sample distribution.

The following table presents the list of States and Union Territories along with the respective sample sizes allocated to each, as per the sampling framework provided by NBCFDC:

Table 3.1: Sampling Size as per the Survey

S. No.	State/UT	Beneficiary covered	Non-beneficiary	Total Sample for Quantitative Research Technique
1	Andhra Pradesh	35	35	70
2	Bihar	14	14	28
3	Chandigarh	11	11	22
4	Chhattisgarh	21	21	42
5	Delhi		0	0
6	Goa	30	0	30
7	Gujarat	140	71	211
8	Haryana	37	37	74
9	Himachal Pradesh	30	24	54
10	J&K	29	0	29
11	Karnataka	30	119	149
12	Kerala	493	510	1003
13	Madhya Pradesh	34	127	161

S. No.	State/UT	Beneficiary covered	Non-beneficiary	Total Sample for Quantitative Research Technique
14	Maharashtra	18	0	18
15	Puducherry	30	22	52
16	Punjab	66	66	132
17	Rajasthan	34	34	68
18	Sikkim	21	19	40
19	Tamil Nadu	134	95	229
20	Telangana	200	200	400
21	Tripura	14	14	28
22	Uttar Pradesh	107	107	214
23	Uttarakhand	8	8	16
24	West Bengal	30	0	30
Total Beneficiaries across all states		1566	1534	3100

3.3 All India Beneficiary Level Survey

Age of the beneficiaries covered: The age profile of beneficiaries shows that the scheme is used mainly by people in their active working years. The largest share is in the 40–50 age group (35.19 percent), followed by 30–40 years (28.87 percent). This concentration suggests that mid-career individuals rely most on NBCFDC support to stabilise or expand their livelihoods.

Table 3.2 Age-wise Distribution of Beneficiaries

Age Group	Respondents	Percentage (%)
20–30	213	13.60
30–40	452	28.87
40–50	551	35.19
50–60	289	18.45
60–70	46	2.94
70 and above	15	0.96
Total	1566	100

Beneficiaries aged 50–60 years (18.45 percent) also form a notable group, reflecting continued dependence on small businesses and self-employment even in later working life. Younger adults, particularly those 20–30 years old (13.60 percent), are less represented, likely due to lower asset ownership and limited exposure to formal credit.

The presence of older beneficiaries above 60 years (around 4 percent) is small but meaningful, indicating that some seniors continue to engage in income-generating activities.

Overall, the distribution shows that the scheme primarily serves mid-life earners while still reaching individuals across all age brackets.

3.3.1 Gender: The gender profile of beneficiary’s shows a clear dominance of female respondents, who account for 92.27 percent of the total. This reflects strong participation of women in NBCFDC-supported activities and indicates that the scheme is effectively reaching its intended priority groups.

Table 3.3: Gender-wise Distribution of Beneficiaries

Gender	Respondents	Percentage
Female	1445	92.27
Male	121	7.73
Total	1566	100

Male beneficiaries represent only 7.73 percent, suggesting that men constitute a much smaller share of applicants or that women are more actively engaged in the types of livelihood activities supported by the programme. It may also point to better mobilisation of women through community networks and self-help structures.

Thus, the distribution highlights the programme’s significant role in enabling women’s economic participation. The overwhelming female representation underscores how central the scheme has become for women seeking credit for business, livelihood and household economic activities.

3.3.2 Bank Account: The banking profile of beneficiaries shows that almost all respondents operate a normal savings bank account, with 97.95 percent falling in this category. This indicates strong formal financial inclusion and suggests that most beneficiaries already have access to standard banking services required for loan processing and repayment.

Table 3.4 Type of Bank Accounts Held by Beneficiaries

Bank Account Type	Respondents	Percentage (%)
Normal Savings Bank Account	1534	97.95
Jan Dhan Yojana	21	1.34
Others	11	0.70
Total	1566	100

Only 1.34 percent reported using a Jan Dhan Yojana account, which is relatively low compared to national JDY enrolment. This may reflect a shift over time from basic accounts to regular savings accounts as beneficiaries’ financial behaviour becomes more formalised. A small share, 0.70 percent, fall under the “Others” category, likely representing cooperative bank accounts or niche financial institutions.

Overall, the distribution shows that the beneficiary base is well integrated into the formal banking system, which supports smoother disbursement, tracking and financial management under the scheme.

3.3.3 Education: The education profile of beneficiaries shows that the programme largely serves individuals with basic or intermediate levels of schooling. The largest segment falls in the secondary education group, representing 43.28 percent of all beneficiaries. This suggests that many applicants possess enough educational grounding to manage small businesses or livelihood activities but may still lack the qualifications needed to access formal employment or higher-income opportunities. The high share of this group reflects the scheme’s ability to support those who are educated enough to participate in economic activity but still vulnerable in terms of financial stability.

The second largest group comprises beneficiaries with primary education, forming 27.01 percent of the sample. This highlights that a significant portion of applicants have very limited formal schooling and depend heavily on informal work, traditional skills or small-scale livelihoods. For these individuals, affordable credit plays an essential role in bridging income gaps, sustaining economic activity and preventing financial distress.

Beneficiaries with graduate or higher education constitute 18.01 percent, which indicates that the scheme also reaches educated individuals who may be underemployed, self-employed or operating home-based businesses. Their presence shows that formal education does not always translate into stable income or access to mainstream credit, making NBCFDC support relevant across education levels.

Those with no formal education make up 11.43 percent, showing that the scheme is also accessible to individuals at the margins of the education system. This group often relies on manual work or traditional occupations and faces the greatest barriers to financial inclusion. The very small shares in the ITI and “Other” categories reflect specialised or mixed educational backgrounds that are present but uncommon among beneficiaries.

Overall, the education profile reveals that the scheme effectively reaches a broad spectrum of learners, with a clear concentration among those with limited schooling. This distribution highlights both the inclusiveness of the programme and the importance of accessible credit in supporting livelihoods that do not rely on advanced formal qualifications.

Table 3.5 Educational Profile of Beneficiaries

Education Level	Respondents	Percentage (%)
Secondary	678	43.28
Primary	423	27.01
Graduate or Higher	282	18.01
No Formal Education	179	11.43
ITI	1	0.06
Other	3	0.19
Total	1566	100

3.3.4 Utilization of Loans: Table 6 shows that all 1,531 respondents reported utilising the loans they received, indicating complete utilisation of sanctioned funds. This suggests that beneficiaries clearly understand their financial needs and apply for loans with a defined purpose. Full utilisation also reflects that the loan amounts are relevant to their livelihood activities and that there is minimal diversion of funds. Such complete uptake strengthens the credibility of the programme and highlights its practical value at the household and enterprise levels.

Table 3.6: Utilisation of Loans by Beneficiaries

Loan Utilization	Respondents	Percentage
Yes	1,531	100.00%

3.3.5 Knowledge of Loan Schemes: The awareness pattern in Table 7 shows that information about the scheme is largely spread through informal community networks, with 44.60 percent learning about it through friends, family, or community members. This highlights the importance of social capital and interpersonal communication in shaping access to government programmes.

Table 3.7 Sources of Awareness about NBCFDC Loan Schemes

Source of Awareness	Number of Respondents	Percentage
Word of Mouth (Friends/Family/Community)	682	44.60%
Government Offices/Banks	509	33.29%
Govt. Offices + Word of Mouth (Both)	136	8.89%
Print Media (Newspaper/Pamphlets)	56	3.66%
Social media (Facebook/WhatsApp etc.) + Govt.	33	2.16%
Others/Minor Sources	150	9.58%
Total	1566	100

Another major source is government offices and banks, contributing 33.29 percent of awareness. This suggests that frontline institutions play a meaningful role in guiding applicants, although there is still scope to strengthen their outreach.

A smaller share, 8.89 percent, became aware through a combination of government channels and community networks, showing that blended communication channels also matter. Print media and social media together account for a modest portion of awareness, indicating limited penetration of mass communication strategies. The others category, at 9.58 percent, captures miscellaneous or incidental exposure to scheme information.

Overall, the table shows a healthy mix of informal and formal information channels, but it also indicates that expanding structured outreach efforts could increase awareness and bring more potential beneficiaries into the fold.

3.3.6 Category-wise Uptake of Loan: The distribution of loan categories shows that beneficiaries are primarily engaged in small business activities. Small business loans account for 65.96 percent, indicating strong demand for working capital, retail activities, and micro-enterprises. This reflects the scheme’s importance in supporting self-employment and small entrepreneurial ventures. Agriculture and allied activities form 28.79 percent, showing continued reliance on farming, livestock and related occupations, especially in rural areas.

Table 3.8: Category-wise Uptake of Loans by Beneficiaries

Loan Category	Number of Respondents	Percentage (%)
Agriculture & Allied	451	28.79
Small Business	1033	65.96
Service Sector	82	5.24
Total	1566	100

The service sector, at 5.24 percent, represents a smaller but relevant group involved in services such as repairs, tailoring and personal services. Overall, the distribution highlights that the scheme caters most strongly to micro-business owners and agricultural households.

3.3.7 Creation of Assets/ Purpose of Uptake of loan: The pattern of loan utilisation indicates that beneficiaries use the funds for productive and livelihood-enhancing purposes. The most common use is the purchase of raw materials (24.98 percent), which directly supports day-to-day business operations. This is followed by tools and machinery (18.84 percent) and business expansion or additional space (17.49 percent), suggesting that many households are aiming to grow their enterprises.

Table 3.9: Purpose of Loan Utilisation / Asset Creation

Purpose	Respondents	Percentage
Purchase of Raw Materials	391	24.98
Purchase of Tools & Machinery	295	18.84
Business Expansion / Additional Space	274	17.49
Working Capital (Daily Operations)	269	17.17
Marketing & Promotion	143	9.13
Training or Skill Development	108	6.89
Business failure due to personal reason or lack of training	86	5.49
Total Respondents	1566	100

A considerable share also uses loans for working capital (17.17 percent), reflecting the need for liquidity in small businesses. Other uses such as marketing, training and debt repayment appear in smaller proportions but still contribute meaningfully to livelihood strengthening. Overall, the data shows that loans are primarily used for productive investments rather than consumption.

3.3.8 Annual Household Income before Uptake of loans: Before receiving the loan, the majority of households were in the lower income bracket. Over half the beneficiaries (51.72 percent) reported annual incomes below

1.5 lakh, indicating strong participation from economically vulnerable groups. Another 27.77 percent had incomes between 1.5 and 2.5 lakh.

Table 3.10: Annual Household Income of Beneficiaries before Loan Availment

Annual Income Bracket (Before Loan)	Respondents	Percentage
0–1.5 Lakhs	810	52%
1.5–2.5 Lakhs	435	28%
2.5–3 Lakhs	321	20%
Total	1566	100%

The income distribution before uptake of the loan shows that a majority of households were concentrated in the lowest income bracket. **Over half of all beneficiaries (52%)** earned below **₹1.5 lakh per year**, clearly indicating that the scheme successfully reached economically

vulnerable groups who had limited earnings and high livelihood insecurity. Another **28%** fell within the **₹1.5–2.5 lakh** range, reflecting lower-middle income households that also faced credit constraints and depended heavily on informal or small scale occupations for sustenance.

A smaller but still significant segment—**20%**—reported annual incomes between **₹2.5–3 lakh**, showing that the scheme also catered to households with slightly higher but still modest and often unstable income flows.

3.3.9 Annual Household Income after Loan: After receiving the loan, there is a clear upward shift in income distribution. The share of households earning below 1.5 lakh decreased significantly to 35.76 percent, while households earning above 3 lakh rose to 27.65 percent.

Table 3.11: Annual Household Income of Beneficiaries After Loan Availment

Annual Income Bracket (After Loan)	Respondents	Percentage
0–1.5 Lakhs	560	35.76
1.5–2.5 Lakhs	428	27.33
2.5–3 Lakhs	145	9.26
Above 3 Lakhs	433	27.65
Total	1566	100

The middle-income brackets also expanded mildly. These improvements indicate that loan utilisation contributed to greater business activity, improved cash flow and higher earnings across livelihood categories.

3.3.10 Change in Annual Income: The before-after comparison shows a notable rise in income. The largest improvement is in the above 3 lakh bracket, which increased from 13.61 percent to 27.65 percent, marking a substantial gain of 14.04 percentage points.

Table 3.12: Change in Annual Household Income of Beneficiaries (Before and After Loan)

Annual Income Bracket	Before Loan (%)	After Loan (%)	Change (Percentage Points)
0–1.5 Lakhs	52	35.76	-16.24
1.5–2.5 Lakhs	28	27.33	-0.67
2.5–3 Lakhs	20	9.26	-10.74
Above 3 Lakhs		27.65	27.65
Total	100	100	–

The income distribution before and after receiving the loan shows a **clear upward shift**, reflecting strong livelihood improvements among beneficiaries. The proportion of households in the **lowest income bracket (0– 1.5 lakhs)** declines sharply from **52% to 35.76%**, indicating that a significant share of vulnerable households moved out of the lowest-income category after taking the loan.

The **1.5–2.5 lakh bracket** remains relatively stable, showing only a minor decline of less than one percentage point. A more notable change appears in the **2.5–3 lakh bracket**, which decreases

from **20% to 9.26%**, largely because many beneficiaries have moved into even higher income levels.

The most substantial gain is seen in the **above 3 lakh category**, which did not exist as a recorded group in the pre-loan period but rises to **27.65%** after the loan. This reflects a significant upward income mobility, driven by improved business performance, better working capital and productive asset utilisation financed through the loan

3.3.11 Change in Average Monthly Income: The average monthly income increased from ₹17,096.64 before the loan to ₹23,347.89 after the loan, reflecting a rise of ₹6,251.25, or 36.56 percent. This improvement suggests that loans were effectively utilised to boost livelihoods, enhance business productivity and provide stable cash flows.

Table 3.13: Change in Average Monthly Income of Beneficiaries

Category	Amount (₹)	Change (%)
Average Monthly Income Before Loan	17,096.64	–
Average Monthly Income After Loan	23,347.89	–
Increase	6,251.25	36.56%

The magnitude of the increase demonstrates the positive financial impact of the programme and shows that even modest loan amounts can drive meaningful income growth among low-income households.

3.3.12 Awareness of interest rate: Table 14 shows that most beneficiaries are well informed about the interest rates associated with their loans. A large majority, 86.34 percent, reported that they were aware of the interest rate at the time of taking the loan. This reflects effective communication by implementing agencies and a reasonable level of financial awareness among borrowers. However, 13.61 percent of beneficiaries indicated that they were unaware of the interest rate. This group may include applicants with lower education levels or limited exposure to formal credit, highlighting the need for clearer, more consistent orientation at the application stage.

Table 3.14: Awareness of Interest Rate among Beneficiaries

Awareness of Interest Rate	Respondents	Percentage
Yes	1352	86.34
No	213	13.61
Yes/No (Confused Response)	1	0.06%
Total	1566	100

A very small fraction, 0.06 percent, gave unclear or contradictory responses, which can be considered negligible. Overall, the data suggests that while awareness is strong, there is scope to make interest-related communication even more transparent for vulnerable applicants.

3.3.13 Repayment of Loans undertaken: The repayment pattern in Table 15 reflects a healthy credit culture. A significant portion of beneficiaries, 88.10 percent, reported regular repayment.

This shows strong financial discipline and suggests that most enterprises supported through the loan are generating enough income to service their instalments.

Table 3.15: Loan Repayment Status of Beneficiaries

Repayment Status	Respondents	Percentage
Regular	1,380	88.10%
Irregular	163	10.41%
Defaulter	23	1.47%
Total	1566	100

Another 10.41 percent reported irregular repayment. This group may be facing unstable income, seasonal cash flow issues or external shocks affecting their livelihood activities. Defaulters make up only 1.47 percent, which is a very low share and indicates minimal credit risk. The overall repayment performance supports the sustainability of the programme and highlights the reliability of its borrower base.

3.3.14 Time Taken for Loan Disbursal: Table 16 captures the beneficiaries' experience with loan disbursement timelines. More than half of all respondents, 56.80 percent, received their loan within 0 to 2 months, indicating generally efficient processing for a majority.

Table 3.16: Time Taken for Loan Disbursal

Category	Number of Respondents	Percentage
0–2 months	890	56.80
3–6 months	307	19.61
More than 6 months	369	23.58
Total	1566	100

However, 19.61 percent of beneficiaries had to wait 3 to 6 months, and a notable 23.58 percent waited more than 6 months. These longer timelines point to administrative delays, verification backlogs and funding constraints at the implementing agency level. The presence of a sizeable group experiencing long waits shows that disbursement speed is inconsistent across states and institutions and remains an area where efficiency improvements can significantly enhance beneficiary experience.

3.3.15 Mode of Applying: Table 17 shows that offline applications dominate, with 79.02 percent of beneficiaries applying through physical submission. This reflects a continued reliance on in-person interactions, especially in rural areas where digital access is limited and applicants prefer guidance from officials.

Table 3.17: Mode of Application for Loan

Mode of Applying	Number of Respondents	Percentage
Offline	1237	79.02
Online	329	20.98
Total	1566	100

Only 20.98 percent applied online, which indicates that digital literacy, internet accessibility and confidence in online systems are still relatively low among beneficiaries. The overall pattern suggests that while digital channels exist, they are not yet widely adopted. Strengthening digital support systems, simplifying online processes and offering local assistance could increase the use of online applications in the future.

3.3.16 Challenges faced by beneficiaries in accessing loan

a) **Issues raised by Beneficiary:** Table 18.1 highlights the operational challenges beneficiaries encountered during the application and utilisation process.

Table 3.18: Challenges Faced by Beneficiaries in Accessing Loans

Issue	Number of Respondents	Percentage
Lack of Equipment	254	16.22
Lack of Training	401	25.61
Other Issues	911	58.17
Total Respondents	1566	100

The most commonly reported category, Other Issues (58.17 percent), includes delays in documentation, coordination problems with intermediaries, and difficulties in meeting procedural requirements. The high proportion indicates that challenges are often multidimensional and extend beyond specific technical gaps.

Lack of Training (25.61 percent) reflects beneficiaries' need for better orientation on loan processes, documentation and business planning. Improved pre-loan guidance could reduce errors and delays. Lack of Equipment (16.22 percent) shows that some beneficiaries struggled to meet the initial requirements for establishing or expanding their livelihood activities. These constraints indicate that credit alone may not be enough, and complementary support such as tools, training or market linkages can enhance loan effectiveness.

b) **Submission of Collateral:** Table 18.2 reveals a nearly even divide in collateral submission. 51.65 percent of beneficiaries provided collateral, while 48.35 percent did not.

Table 3.19: Submission of Collateral by Beneficiaries

Collateral Status	Number of Respondents	Percentage
Yes	809	51.65
No	757	48.35
Total	1566	100

This split suggests that although the scheme is designed to be accessible, implementing agencies may still request collateral in some cases to mitigate perceived risks. Beneficiaries with limited assets may therefore face more difficulty completing their applications. The close balance between the two categories highlights the need for clearer communication about collateral requirements and more uniform implementation across states so that applicants are not discouraged by unpredictable conditions.

The All-India Analysis of the beneficiaries given above provides a consolidated view of how beneficiaries across 24 states and union territories have accessed and utilised NBCFDC loans. The findings show that the scheme primarily supports individuals in their active working years, especially those between 30 and 50 years of age. Women form the overwhelming majority of beneficiaries, reflecting strong outreach among priority groups. Most respondents maintain regular savings bank accounts, indicating a high level of formal financial inclusion.

Education levels are concentrated around primary and secondary schooling, highlighting that the scheme effectively reaches households with limited formal education. Loan utilisation is complete across the sample, and awareness of the scheme largely spreads through community networks and government institutions. Small businesses and agriculture dominate loan uptake, with funds mostly used for raw materials, tools, business expansion and working capital.

Income analysis shows clear upward mobility after receiving loans, both in annual household earnings and monthly income. Repayment behaviour remains strong, supported by a majority who repay regularly. Although more than half of the beneficiaries received their loans within two months, delays continue for a sizeable segment. Most applicants still rely on offline application modes, and challenges related to training, documentation and procedural complexities are widely reported. Collateral requirements vary across cases, signalling inconsistent implementation practices.

Overall, the chapter presents a positive picture of the scheme’s impact while also identifying important operational gaps that need policy attention. The next section will examine the status and experiences of non-beneficiaries covered under the survey.

3.4 All India Beneficiary Level Survey

The survey covered 1,534 non-beneficiaries across 24 states and union territories, offering crucial insights into households that applied for NBCFDC support but did not ultimately receive assistance. This section examines the geographic distribution of non-beneficiaries and the underlying structural reasons shaping these patterns. In several states non-beneficiaries were not available for coverage. To maintain representativeness, the deficit number of beneficiaries were reallocated to other states, thereby achieving the final total of 1,534 (estimated sample was 1,531). The findings provide important insights into the profile, experiences, and aspirations of those who could not access NBCFDC support, while also highlighting systemic and contextual issues affecting outreach.

Table 3.20: State-wise Distribution of Non-Beneficiaries

State	Beneficiaries	% of the total sample
Andhra Pradesh	35	2.28
Bihar	14	0.91
Chandigarh	11	0.72
Chhattisgarh	21	1.37
Delhi	0	0.00
Goa	0	0.00

State	Beneficiaries	% of the total sample
Gujarat	71	4.63
H.P.	24	1.56
Haryana	37	2.41
J&K	0	0.00
Karnataka	119	7.76
Kerala	510	33.25
M.P.	127	8.28
Maharashtra	0	0.00
Puducherry	22	1.43
Punjab	66	4.30
Rajasthan	34	2.22
Sikkim	19	1.24
Tamil Nadu	95	6.19
Telangana	200	13.04
Tripura	14	0.91
U.P.	107	6.98
Uttarakhand	8	0.52
West Bengal	0	1.11
Total	1534	100.00

3.4.1 State-wise Distribution of Non-Beneficiaries: The distribution of non-beneficiaries across states is far from uniform. A small cluster of five states dominates the landscape: Kerala (510; 33.25%), Telangana (200; 13.04%), Karnataka (119; 7.76%), Madhya Pradesh (127; 8.28%), and Uttar Pradesh (107; 6.98%). Together, they account for nearly 70% of all non-beneficiaries.

This concentration is not accidental. These states carry a combination of high credit demand, large vulnerable populations, and administrative bottlenecks that slow down or restrict loan disbursement. When application volumes rise faster than the flow of funds, even eligible applicants are left waiting and often indefinitely. The result is a large pool of individuals who should have received support but never did.

A second tier of states, such as Punjab (66), Gujarat (71), Rajasthan (34), Puducherry (22), and Himachal Pradesh (24) shows moderate numbers of non-beneficiaries. These regions typically see fewer applications than high-demand states, yet they still face recurring challenges. Implementing agencies in these areas frequently report delays in fund release, slow documentation cycles, and periodic administrative hold-ups, all of which create bottlenecks even when the applicant base is smaller.

At the lower end of the distribution are several smaller states and UTs, including Andhra Pradesh (35), Bihar (14), Tripura (14), Chandigarh (11), and Uttarakhand (8). Here, the absolute numbers are low, but their presence remains meaningful. Even in regions with modest demand, applicants

continue to face issues such as incomplete application support, slow verification processes, or gaps in follow-up by implementing agencies. These smaller numbers serve as a reminder that operational challenges exist everywhere, not just in the high-volume states.

Thus, the geographic pattern of non-beneficiaries underscores a clear message: where demand is high, systems struggle; where demand is lower, lapses still occur. The result is a diverse but persistent landscape of unmet credit needs across the country.

3.4.2 States with Zero Non-Beneficiaries

A distinct set of states and UTs Delhi, Goa, Jammu & Kashmir, Maharashtra, Sikkim, and West Bengal reported zero non-beneficiaries. The circumstances behind these “zero” figures vary significantly:

- **Delhi, J&K, Maharashtra, Goa and West Bengal:** In these states, implementing agencies reported that **eligible applicants were not rejected**. Instead, pending sanctions and delays in fund disbursement meant that no cases were classified as non-beneficiaries. Applicants remain in the pipeline, awaiting funds rather than facing outright denial. This indicates procedural timing issues rather than a lack of demand.

- **Goa:** Goa presents a uniquely different scenario. Interest in NBCFDC loan products was low because many potential applicants in tourism-associated occupations require **higher-value loans**, particularly for commercial vehicles.

Since the ceilings under NBCFDC schemes do not match these investment needs, aspirants often opt out voluntarily. Here, zero non-beneficiary's stems from **lack of demand alignment**, not from administrative efficiency.

- **Maharashtra (Mumbai Sub region):** In the Mumbai sub region, agencies reported full sanctioning of all applications during 2020–2023, especially in small business and agricultural loans. This operational efficiency combined with manageable demand resulted in no applicants being left out who all applied for the loan.

Thus, the national distribution of non-beneficiaries reveals a clear pattern that the States with larger vulnerable populations and higher economic activity exhibit the largest unmet credit demand. Administrative bottlenecks, limitations in fund availability, and mismatches between loan ceilings and livelihood requirements continue to be central reasons for non-beneficiary formation.

In contrast, states showing zero non-beneficiaries are not necessarily performing better. In many cases, the absence of recorded non-beneficiaries reflects pending sanctions, delayed funds, or weak demand due to scheme-loan mismatch, rather than smooth delivery.

This analysis underscores the need for a stronger and timelier fund flow mechanisms, simplified application and sanctioning processes, adjusted loan ceilings in high-cost livelihood sectors, improved coordination between implementing agencies and applicants.

Understanding these geographic patterns is essential for refining NBCFDC's outreach strategy and ensuring that credit support effectively reaches vulnerable communities across the country.

3.4.3 Income Profile of Non-Beneficiaries

The income distribution of non-beneficiaries shows that the vast majority come from low- and mid- income households. This pattern holds consistently across states, suggesting that those who needed support the most were also the ones most affected by fund shortages or administrative delays.

Table 3.21: Income Profile of Non-Beneficiaries by State

State	Beneficiaries	Low (<1.5L)	Low (<1.5L) in %	Mid (1.8L)	Mid (1.8L) in %	High (2.0L)	High (2.0L) in %
Andhra Pradesh	35	14	40.00	15	42.86	6	17.14
Bihar	14	6	42.86	6	42.86	2	14.29
Chandigarh	11	4	36.36	5	45.45	2	18.18
Chhattisgarh	21	8	38.10	9	42.86	4	19.05
Gujarat	71	27	38.03	31	43.66	13	18.31
H.P.	24	9	37.50	11	45.83	4	16.67
Haryana	37	14	37.84	16	43.24	7	18.92
Karnataka	119	45	37.82	52	43.70	22	18.49
Kerala	510	205	40.20	218	42.75	87	17.06
M.P.	127	48	37.80	56	44.09	23	18.11
Puducherry	22	8	36.36	10	45.45	4	18.18
Punjab	66	25	37.88	29	43.94	12	18.18
Rajasthan	34	13	38.24	15	44.12	6	17.65
Tamil Nadu	95	36	37.89	42	44.21	17	17.89
Telangana	200	77	38.50	88	44.00	35	17.50
Tripura	14	6	42.86	6	42.86	2	14.29
U.P.	107	41	38.32	47	43.93	19	17.76
Uttarakhand	8	3	37.50	4	50.00	1	12.50
Sikkim	19	7	36.84	8	42.11	4	21.05
Total	1534	596	38.85	668	43.55	270	17.60

Strong Concentration in Low- and Mid--Income Groups: Across the country, over 82% of non- beneficiaries fall in the Low (<₹1.5L) and Mid (₹1.8L) income bands. This reinforces that the NBCFDC scheme is reaching its intended target groups in terms of applications—but the inability to provide loans to many of them reflects a major supply– demand mismatch.

States with the largest number of non-beneficiaries show the same pattern:

- Kerala (510): 40.2% low, 42.75% mid
- Telangana (200): 38.5% low, 44% mid
- Karnataka (119): 37.82% low, 43.7% mid
- Madhya Pradesh (127): 37.8% low, 44.09% mid
- Uttar Pradesh (107): 38.32% low, 43.93% mid

In all these high-volume states, nearly 80–85% of non-beneficiaries fall within the low or mid band. This clearly shows that the most vulnerable applicants were the most affected by loan unavailability.

High-Income Group Remains a Small Minority: The High-income group (₹2.0L) accounts for only 17.6% of the total non-beneficiaries. Even in the major states:

- Kerala -17.06%
- Telangana -17.5%
- Karnataka - 18.49%
- Madhya Pradesh - 18.11%
- Uttar Pradesh - 17.76%

The numbers remain consistently below 20%. This reinforces that people with relatively better income stability are not the primary users of the scheme—and the ones who needed support the most were left unserved.

3.4.4 State-Level Variations and What They Indicate:

High-Volume States (Kerala, Telangana, MP, Karnataka, UP): These states show similar income compositions: a heavy clustering in the low- and mid-income categories. This means demand is extremely high, and fund absorption is lagging, leading to large numbers of eligible applicants remaining unsupported.

Mid-Volume States (Punjab, Tamil Nadu, Chhattisgarh, Gujarat, Rajasthan): These states show a slightly higher share of mid-income applicants. While still dominated by low-income groups, the economic profile is somewhat more mixed—yet the unmet demand remains consistent.

Small States & UTs (Tripura, Uttarakhand, Puducherry, Andhra Pradesh, Bihar): Even though the absolute numbers are low, the pattern remains unchanged:

Low- and mid-income applicants form more than 80% of all non-beneficiaries.

This suggests that issues here relate more to administrative inefficiencies rather than capacity constraints.

Sikkim stands out with a slightly higher high-income share (21.05%), indicating a more diverse applicant profile, though volumes remain small.

Thus, the income profile shows a clear and consistent pattern across the country: low- and mid-income households make up the overwhelming majority of non-beneficiaries, regardless of state size or population. These groups represent the core of unmet credit demand, indicating that those who needed financial support the most were unable to access it. The poorest applicants, in particular, are disproportionately affected, as fund shortages directly restrict their ability to pursue income-enhancing opportunities.

What stands out is that state-level differences do not stem from variations in demand but from systemic issues in delivery. Whether in large, high-volume states like Kerala and Telangana or smaller regions such as Puducherry and Tripura, the income distribution of non-beneficiaries remains nearly identical. This uniformity suggests that administrative delays, fund flow constraints, and bottlenecks in implementation—not differences in applicant profiles—are the real barriers preventing credit access.

3.4.5 Change in Income among Non-Beneficiaries

The data shows that only a small share of non-beneficiaries experienced any real income improvement during 2024–25. Out of the 1,534 individuals, 350 people (22.82%) reported a minor increase of up to ₹12,000 a year, while 104 people (6.78%) saw a low increase of up to ₹18,000, and only 52 people (3.39%) managed to reach a mid-level increase of up to ₹24,000. In simple terms, almost three out of every four non-beneficiaries experienced no meaningful income growth over the year.

Table 3.22: Change in Income among Non-Beneficiaries (2024–25)

State	Minor Increase (Rs. 12000 monthly)	Low Increase (Rs. 18000 monthly)	Mid Increase (Rs. 24000 monthly)
Andhra Pradesh	14	4	2
Bihar	14	4	2
Chandigarh	16	5	3
Chhattisgarh	19	6	3
Gujarat	15	5	2
H.P.	15	5	2
Haryana	28	8	4
Karnataka	26	8	4
Kerala	31	9	5
M.P.	28	8	4
Puducherry	15	4	2
Punjab	19	6	3
Rajasthan	15	4	2
Tamil Nadu	21	6	3
Telangana	14	4	2
Tripura	14	4	2
U.P.	33	10	5
Uttarakhand	13	4	2
Total of the beneficiaries shown increase in Income (2024-25)	350	104	52
% of beneficiaries increased income out of the total	22.82	6.78	3.39

Across states, the pattern is nearly identical. Larger states with high non-beneficiary counts—such as Kerala, Uttar Pradesh, Karnataka, and Madhya Pradesh—show the biggest clusters reporting only minor or very limited improvements. Smaller states and UTs follow the same trend, indicating that the absence of loan support left most households at a standstill. The improvements that did occur are modest and too small to change living standards in any significant way.

Overall, the income trends make one point clear: without access to formal credit, upward mobility remains extremely limited. Households are unable to invest in tools, skills, or better work opportunities, keeping them tied to subsistence income. Timely loan disbursement is therefore essential if NBCFDC is to support meaningful economic progress among its target groups.

3.4.6 Awareness of NBCFDC Schemes among Non-Beneficiaries

The awareness of NBCFDC schemes varies widely across states, revealing clear differences in outreach and communication. Out of the 1,534 non-beneficiaries, 479 people were aware of the schemes, while 107 were unsure, and a much larger 948 had no awareness at all. This shows that a significant majority never received or understood information about the schemes, which directly affects their ability to apply or follow up on applications.

Table 3.23: Awareness of NBCFDC Schemes among Non-Beneficiaries

State	Beneficiaries	Yes	Yes (%)	Not Sure	Not Sure (%)	No	No (%)
Andhra Pradesh	35	14	2.92	4	3.74	17	1.79
Bihar	14	12	2.51	1	0.93	1	0.11
Chandigarh	11	10	2.09	1	0.93	0	0.00
Chhattisgarh	21	17	3.55	2	1.87	2	0.21
Gujarat	71	32	6.68	8	7.48	31	3.27
H.P.	24	15	3.13	3	2.80	6	0.63
Haryana	37	21	4.38	5	4.67	11	1.16
Karnataka	119	53	11.06	12	11.21	54	5.70
Kerala	510	79	16.49	15	14.02	416	43.88
M.P.	127	41	8.56	10	9.35	76	8.02
Puducherry	22	11	2.30	2	1.87	9	0.95
Punjab	66	27	5.64	6	5.61	33	3.48
Rajasthan	34	14	2.92	3	2.80	17	1.79
Sikkim	19	7	1.46	8	7.48	4	0.42
Tamil Nadu	95	42	8.77	9	8.41	44	4.64
Telangana	200	24	5.01	6	5.61	170	17.93
Tripura	14	12	2.51	1	0.93	1	0.11
U.P.	107	41	8.56	10	9.35	56	5.91
Uttarakhand	8	7	1.46	1	0.93	0	0.00
Total	1534	479	100.00	107	100.00	948	100.00

3.4.7 State-wise Awareness Patterns

Some states reflect relatively higher awareness. Karnataka, Kerala, Madhya Pradesh and Uttar Pradesh each have more than forty respondents who knew about the schemes.

Punjab, Karnataka and Haryana also show a balanced spread across the “Yes”, “Not Sure” and “No” categories, pointing to active but uneven information channels. In contrast, states such as Kerala and Telangana show very high numbers of respondents with no awareness, despite having the largest non-beneficiary counts. This indicates that even where demand is high, outreach efforts have not kept pace.

Smaller states such as Bihar, Tripura and Uttarakhand show limited awareness simply because of their small respondent base, but the pattern is the same: most people either had no knowledge of the schemes or were uncertain about the details. In Sikkim, a large share of respondents remained unsure or unaware, suggesting weaker field-level communication.

Key Observations: The most striking observation is that nearly two-thirds of nonbeneficiaries had no awareness of NBCFDC schemes. This lack of information appears to be a major barrier that prevents eligible households from engaging with the loan process. In several states, even among those who were aware, understanding of eligibility, benefits and documentation requirements appeared incomplete, which affected their ability to pursue applications confidently.

Implications: Low awareness significantly reduces the reach and impact of NBCFDC programmes. When potential applicants do not know about the schemes, or only have partial information, they are less likely to apply or follow up on their applications. Strengthening communication at the grassroots level, involving local institutions and ensuring accessible information channels can help close this gap. Improving clarity, consistency and visibility of scheme information will be essential for reducing exclusion and enabling more households to benefit from formal credit support.

3.4.8 Difficulties Faced by Aware Non-Beneficiaries

Among the 501 non-beneficiaries who were aware of NBCFDC schemes, a clear set of challenges emerges from their experiences with the loan process. The most frequently reported difficulty relates to documentation. A total of 126 individuals pointed to the burden of paperwork, describing the process as lengthy, repetitive and often confusing. For many applicants, especially those with limited literacy support, these requirements created barriers that prevented them from completing or pursuing their applications.

Table 3.24: Difficulties Faced by Aware Non-Beneficiaries in Accessing Loans

Difficulty	Count	Percent (%)
No Collateral	110	25.1
Difficulty in Online Mode	90	21.9
Too much Paperwork	126	19.9
Time-taking Process	100	18
Easier from Private Organizations	75	15
Total	501	100

Online processes were another significant obstacle. Ninety respondents reported difficulty using the online system, citing issues such as poor connectivity, lack of familiarity with digital forms and insufficient assistance at the local level. This highlights a persistent digital divide that continues to affect rural and low-income applicants. Concerns around the absence of collateral were reported by 110 respondents, not because collateral was demanded, but because financial institutions still sought additional assurances or raised queries that applicants found difficult to address. This created a sense of uncertainty and discouraged many from continuing with the process. Delays also played a major role, with 100 respondents stating that the application and sanctioning stages took much longer than expected.

Finally, 75 respondents shared that obtaining credit from private or informal lenders felt easier, even though these avenues often involve higher costs. This reflects a practical choice: when faced with a slow or complex formal system, applicants turn to faster but riskier alternatives.

Overall, the pattern suggests that awareness alone does not guarantee access. Procedural complexity, digital challenges, long processing times and inconsistent institutional practices combine to create friction at every stage of the loan process. Addressing these barriers is essential for ensuring that eligible households not only learn about NBCFDC schemes but are able to benefit from them in a timely and meaningful way.

3.4.9 Nature of Work and Loan Demand

The occupational profile of non-beneficiaries shows that most individuals belong to informal and low-income work categories. The largest share is from business activities, with 495 respondents, forming 32.3 percent of the total. This includes petty shops, micro-traders and small service providers who rely heavily on small working-capital loans. The next significant group is daily wage labour, representing 26.7 percent, followed by agriculture at 20.9 percent. Together, these three categories account for nearly four out of every five non-beneficiaries, indicating that applicants largely come from unstable or seasonal livelihoods.

Table 2.25: Occupational Profile of Non-Beneficiaries

Category	Count	Percent (%)
Business	495	32.3
Daily wage labor	410	26.7
Agriculture	320	20.9
Salaried job	239	15.6
Agriculture -Daily wage labor	34	2.2
Agriculture -Business	14	0.9
Business -Daily wage labor	6	0.4
Business Salaried job	3	0.2
Daily wage labor Agriculture	3	0.2
Agriculture -Business -Daily wage labor	2	0.1
Salaried job Agriculture -Business	2	0.1
Business Agriculture	2	0.1
Agriculture Salaried job	2	0.1
Salaried job Agriculture	2	0.1

A smaller segment of 239 salaried workers, making up 15.6 percent, reflects individuals in low-paying or semi-formal jobs who also sought support for income enhancement or family needs. The remaining categories, each below one percent, include mixed occupations such as agriculture combined with daily wage work or business. These combinations highlight the multiple livelihood strategies households use to manage irregular incomes.

Overall, the occupational distribution suggests that the people unable to obtain NBCFDC loans are predominantly those with the least financial security. Their dependence on informal or low-return economic activities makes access to affordable credit essential. The unmet demand in these groups signals the need for stronger, more responsive financing mechanisms that can better support vulnerable and multi-source livelihood households.

3.4.10 Sectoral Loan Demand

The pattern of loan demand among non-beneficiaries shows a clear preference for sectors that support day-to-day livelihoods and small-scale income generation. Small business loans account for the largest share at 28 percent, reflecting the high number of applicants engaged in petty trade, micro-enterprises and local service activities. These applicants typically seek modest working capital to sustain or expand their small businesses.

Table 2.26: Sector-wise Loan Demand among Non-Beneficiaries

Category	Count	Percent (%)
Small business	429	28
General loan	337	22
Education loan	246	16
Transport sector	184	12
Agriculture and allied	153	10
New Swarnima loan	92	6
Service sector	62	4
MFI	31	2

General loans, making up 22 percent, indicate broader household needs such as essential purchases, minor repairs or other consumption-related expenses. Alongside this, there is a strong interest in education loans, which form 16 percent of all applications. This highlights the increasing importance families place on investing in education as a long-term pathway for upward mobility.

Demand for transport sector loans stands at 12 percent, mainly from individuals aiming to purchase auto-rickshaws, small commercial vehicles or two-wheelers for livelihood use. Agriculture and allied loans, at 10 percent, point towards farmers and rural households seeking support for cultivation, livestock, or allied activities.

A smaller portion of applicants sought funding under the New Sarnima loan, which accounts for 6 percent and is primarily targeted at women. The service sector and MFI-linked loans represent 4 percent and 2 percent respectively, reflecting applicants involved in small service activities or those looking for alternatives to high-interest informal borrowing.

Key Observations: The distribution of loan demand closely mirrors the occupational structure of non-beneficiaries. Individuals engaged in business and daily-wage activities form the core of applicants, which explains the high demand for small business and general-purpose loans. At the same time, considerable interest in education and transport loans shows that applicants aspire not only to sustain their livelihoods but also to invest in better opportunities for the future.

Overall, the sectoral pattern highlights a blend of basic livelihood requirements and forward-looking aspirations. It suggests that improving credit access across these categories can play a crucial role in helping vulnerable households stabilise their incomes and progress economically.

3.4.11 Intent to Apply in the Future

The intention to reapply for NBCFDC loans remains very strong among non-beneficiaries. Out of the total 1,534 respondents, 1,151 individuals (75 percent) expressed willingness to apply again. Another 261 respondents (17 percent) stated that they would not apply, while 122 respondents (8 percent) were unsure. This pattern shows that despite the challenges experienced during the loan process, most non-beneficiaries continue to see NBCFDC as a trusted and relevant source of financial support.

Table 2.27: Intent to Apply for NBCFDC Loan in Future among Non-Beneficiaries

Response	Count	Percent (%)
Yes	1151	75
No	261	17
Not Sure	122	8
Total	1534	100

Many respondents belong to occupations that depend heavily on affordable credit, which explains why interest in applying again remains high. Their continued reliance on the scheme suggests that the core value of the programme is widely recognised. At the same time, the reluctance expressed by a smaller group reflects frustrations with the application process, long waiting periods and difficulty navigating system requirements.

Key Challenges and Gaps Identified: The challenges faced by non-beneficiaries point to systemic issues that restrict access to credit even for eligible applicants. Fund constraints remain a major concern, with several states reporting delays in receiving sanctioned amounts. Procedural complexity is another barrier, as many applicants find the paperwork demanding and the processing timeline too long. Digital access issues continue to affect applicants who struggle with online applications or poor connectivity. In a few regions, particularly Goa, applicants felt that the loan amounts available under certain schemes did not match the requirements of their livelihood activities. Awareness gaps also remain significant, with a large share of applicants either unaware or only partially aware of the scheme and its benefits. These challenges are particularly severe for individuals engaged in business, daily wage work and agriculture, who form a large share of the non-beneficiary group.

3.5 Broad Recommendations

Improving the overall effectiveness of the scheme requires addressing these constraints directly. Timely and adequate fund disbursement at the state level would help reduce the pool of eligible but unsupported applicants. Simplifying paperwork, reducing repetitive documentation and offering offline assistance desks can improve the ease of application. Strengthening awareness campaigns, especially in smaller states and rural regions, is essential to ensure applicants understand the scheme and its processes. There is also scope to redesign or adjust loan products to better match sector-specific needs, such as those in transport and tourism. Finally, creating a real-time monitoring system and encouraging regular feedback from both beneficiaries and non-beneficiaries can help identify bottlenecks early and improve the responsiveness of the overall system.

This Chapter provides a comprehensive all-India assessment of how NBCFDC loans are accessed, utilised and experienced by beneficiaries and non-beneficiaries across 24 states and union territories. The analysis shows that the scheme has a strong and positive footprint among low-income households, especially individuals in their active working years and women, who form an overwhelming majority of beneficiaries. Most respondents operate regular savings accounts and possess primary to secondary-level education, indicating the scheme's reach among financially included yet economically vulnerable groups. Loan utilisation is complete across the sample, with funds commonly used for raw materials, equipment and business expansion. Income indicators show clear upward mobility after loan receipt, and repayment patterns reflect a healthy financial discipline. However, delays in loan disbursement, reliance on offline application modes and recurring procedural challenges emerge as notable operational gaps.

The chapter also offers a detailed examination of non-beneficiaries, revealing major geographic and structural disparities. Non-beneficiaries are heavily concentrated in high-demand states such as Kerala, Telangana, Karnataka, Madhya Pradesh and Uttar Pradesh, reflecting fund shortages and administrative bottlenecks rather than ineligibility. Income profiles show a predominance of low- and mid-income households, highlighting that those who needed support the most remained unserved. Awareness gaps are substantial, with nearly two-thirds of non-beneficiaries lacking any knowledge of NBCFDC schemes.

Among those aware, documentation burdens, digital barriers, collateral-related concerns and long processing timelines hindered their applications. Occupational and sectoral patterns further show that unmet credit demand is highest among business owners, daily wage earners, farmers and applicants seeking small business, general and education loans.

Despite these challenges, the future intent to apply is remarkably strong, with three-fourths of non-beneficiaries willing to reapply. This reinforces the trust placed in NBCFDC as a source of livelihood support. The chapter concludes that the scheme has clear impact potential, but its effectiveness is limited by fund flow constraints, procedural complexity and inconsistent outreach. Addressing these systemic bottlenecks will be essential for expanding access, improving service delivery and ensuring that both beneficiaries and eligible non-beneficiaries can fully benefit from the programme.

Thus, the findings confirm that the NBCFDC scheme continues to be valued and trusted by the target population. The strong future intent to apply highlights a clear demand for accessible and affordable credit. However, operational challenges, including delays, paperwork burdens and limited outreach, reduce the potential impact of the scheme. Most non-beneficiaries meet the eligibility criteria, and their exclusion is largely due to gaps in fund allocation and delivery rather than a lack of qualification. Addressing these issues can significantly strengthen the programme and ensure that vulnerable households receive the support they need for sustainable livelihood advancement.



Chapter 4

State Wise Report



Chapter 4- State-Wise Reports

For the purpose of this evaluation study, the National Backward Classes Finance and Development Corporation (NBCFDC) furnished a structured sampling frame, specifying the States and Union Territories to be covered along with the prescribed sample size for each. This sampling framework served as the guiding basis for fieldwork and ensured systematic coverage across a wide geography. The framework was designed to cover 24 States and Union Territories, but 23 could be covered as per the sample size given in Table 4.1 given below. Only the state of Delhi could not be covered due to unavailability of beneficiaries in the analysis period. Thus, the beneficiary and control group allocations were fulfilled from other states.

The survey team adhered to this framework in the data collection exercise, ensuring that both **case and control groups** were proportionately represented in every State/UT. This robust design enhanced the reliability of findings by balancing representation and operational realities.

The following table presents the distribution of the survey sample across the selected States and Union Territories, including allocations for case and control groups:

Table 4.1: Sampling Framework for Survey

S. No.	State/UT	Beneficiary covered	Non-beneficiary	Total Sample for Quantitative Research Technique
1.	Andhra Pradesh	35	35	70
2.	Bihar	14	14	28
3.	Chandigarh	11	11	22
4.	Chhattisgarh	21	21	42
5.	Delhi	0	0	0
6.	Goa	30	0	30
7.	Gujarat	140	71	211
8.	Haryana	37	37	74
9.	Himachal Pradesh	30	24	54
10.	J&K	29	0	29
11.	Karnataka	30	119	149
12.	Kerala	493	510	1003
13.	Madhya Pradesh	34	127	161
14.	Maharashtra	18	0	18
15.	Puducherry	30	22	52
16.	Punjab	66	66	132
17.	Rajasthan	34	34	68
18.	Sikkim	21	19	40
19.	Tamil Nadu	134	95	229
20.	Telangana	200	200	400
21.	Tripura	14	14	28

S. No.	State/UT	Beneficiary covered	Non-beneficiary	Total Sample for Quantitative Research Technique
22.	Uttar Pradesh	107	107	214
23.	Uttarakhand	8	8	16
24.	West Bengal	30	0	30
Total Beneficiaries across all states		1566	1534	3100

The State-wise Reports have been arranged in the following **23 chapters** taking into account the observations from each state survey, success stories and key challenges that have been observed. The state reports have thus informed the recommendation for the evaluation.



State Report

Andhra Pradesh



State Report -Andhra Pradesh

AP.1 Introduction

AP.1.1 Background of Andhra Pradesh Backward Classes Co-operation Finance Corporation Ltd.

The Directorate of Welfare of Schedule Castes & Backward Classes Department implements various schemes for the Welfare of Schedule Castes & Backward Classes in the State of Andhra Pradesh. The main function of the Department is to co-ordinate and supervise the activities of other departments in the matter of implementation of various schemes designed for the Welfare of Scheduled Castes, Backward Classes and De-notified Tribes. To ensure all round development of Scheduled Castes & Backward Classes a separate Administrative Secretary and Director have been posted. Financial assistance to those who are not in a position to sustain themselves from their own resources and are in dire need of financial assistance various enticing schemes has been launched.

AP.1.2 Disbursement of Loans under NBCFDC in the State

The NBCFDC lending schemes in Andhra Pradesh have been in operation since

1995 through the Andhra Pradesh Backward Classes Co-operation Finance Corporation Ltd, reflecting a long-standing institutional commitment to the socioeconomic upliftment of marginalized communities. Over the years, the SCA has built considerable implementation capacity and domain experience. The state-level agency currently administers a diverse portfolio of NBCFDC-supported schemes, including the Mahila Samridhi Yojana (MSY), Micro Credit Scheme (MCS), Education Loan Scheme, and the Term Loan Scheme. This portfolio addresses a broad range of development needs—from women's empowerment and micro entrepreneurship to education and business expansion for small-scale enterprises.

The average loan size ranges from ₹50,000 to ₹1 lakh, which makes it well-suited for micro and small enterprises. These loans have supported traditional occupations and informal sector activities that dominate the livelihoods of backward class communities. The Term Loan Scheme, in particular, has seen the highest uptake. Education Loan uptake has been minimal, which could point to either lower demand, stricter eligibility, or gaps in awareness and guidance for potential student borrowers. Loans in the Agriculture and Allied sectors have shown fluctuating engagement, suggesting that while rural enterprise financing exists, its consistency is influenced by seasonal, policy, or outreach-related factors.

The loan recovery performance in the state demonstrates a positive trend, improving from 90% in 2020–21 to 92% in 2022–23. This trajectory reflects enhanced recovery mechanisms, borrower discipline, and possibly better pre-loan counselling or selection processes.

AP.1.3. Sample Population

A sample size of 35 beneficiaries and 35 non-beneficiaries was determined in consultation and as per terms of reference given by NBCFDC for the state of Andhra Pradesh as per the sampling plan for the study. Beneficiaries were interviewed through random sampling from the list of beneficiaries given by the SCA. Beneficiaries were covered from districts of Nuzvid, Vijayanagaram. The interviews were done through the Kobo tool and a structured closed ended questionnaire.

AP.1.4 Sample Design Selection of Districts

The state of Andhra Pradesh was selected for this evaluative study as per the proposed sampling plan.

State Channelising Agency selected for this evaluation was Andhra Pradesh Backward Classes Co-operation Finance Corporation Ltd. Therefore, the districts for which consent was received became part of the present study. These districts were selected in consultation with the SCA.

AP.1.5 Sources of Data

This was an empirical study intending for an evaluation of the lending schemes already implemented. The list of the beneficiaries for Term Loan schemes of NBCFDC for the period of study (2020-23) was shared by SCA which comprised the name and other details of the beneficiary of the loan schemes. All the willing beneficiaries were contacted through the State Channelising Agency and were verified from the available list of beneficiaries.

The evaluation for various other parameters like the utilization ratio, loan recovery ratio/ mechanism, number of defaulters and the mechanism of monitoring done for these loans by the SCAs has been collected through the questionnaires in Kobo toolbox. Additionally, information has also been gathered from their websites and annual reports.

AP.1.6 Key Impressions and Insights from Field Survey

- Based on field observations, several key insights emerged regarding the operational practices and effectiveness of NBCFDC's loan implementation through the State Channelising Agency (SCA). It was noted that all loans disbursed fall under the Term Loan category, with no diversification into other lending products. Despite a demand for higher-value loans among beneficiaries, the District Manager (DM) is restricted to sanctioning loans only up to ₹1 lakhs, limiting the ability to meet the full capital needs of small entrepreneurs.
- A recurring issue observed was that beneficiaries lacked clarity about the applicable interest rates. While they were generally aware of the monthly repayment amounts, they were unaware of the exact rate of interest, indicating gaps in financial literacy and pre-disbursement counselling. Additionally, standard deductions are made at the time of loan sanction, including charges for insurance coverage of work-related assets. However, it was found that none of the beneficiaries continued the insurance beyond the first year, primarily due to a lack of awareness. Most were unaware that any such insurance had been activated

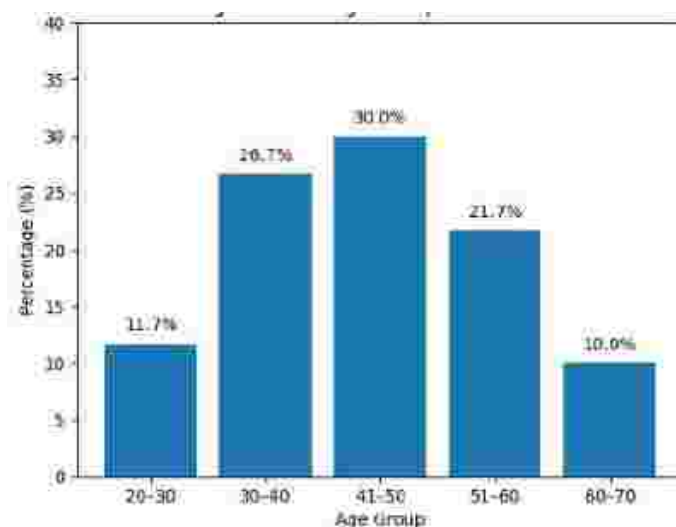
or could be renewed. This highlights the urgent need for enhanced counselling by the SCA on the importance of insuring productive assets and the procedural steps to maintain coverage.

- Another critical finding was that the minimum sanctioned loan amounts are often too small to enable sustainable income generation. Beneficiaries receiving smaller amounts reported that these were insufficient to establish viable economic activities. In contrast, loans of ₹1,00,000 and above were reported to be more effective in meeting livelihood needs, contributing more meaningfully toward business sustainability and income security.

AP.2 Analysis of the Socio-Economic Parameters

AP.2.1 Age Group Distribution: The age profile of respondents is concentrated within the working-age population, particularly between 20 and 60 years, with a noticeable peak at age 50. This indicates a focus on economically active individuals, aligning with the goal of providing productive loans to those likely to engage in self-employment or enterprise. Younger age groups (18–30) are relatively underrepresented.

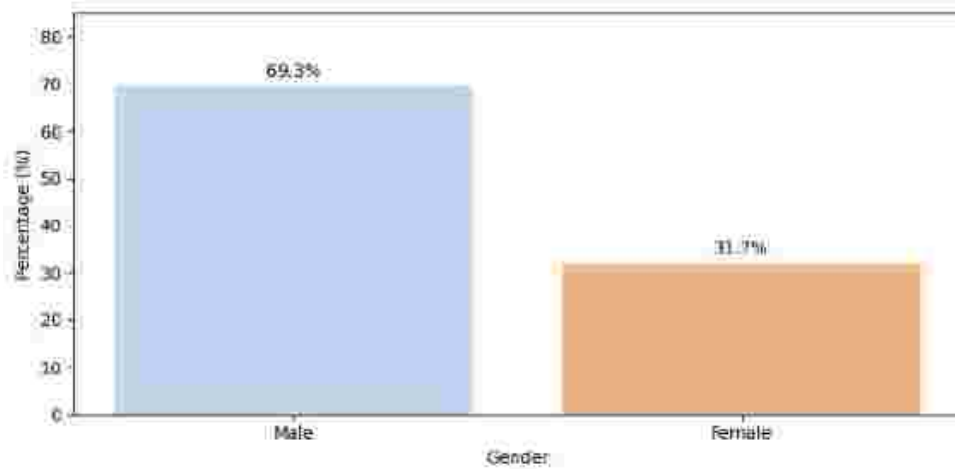
Fig AP 2.1: Age Distribution



AP.2.2 Gender

Among the respondents, 68.3% are male and 31.7% are female. This reflects moderate participation by women, possibly due to targeted outreach, evolving gender norms, or expressed economic need. It supports the case for continuing gender-inclusive financial interventions and addressing any barriers that may still exist for female participation.

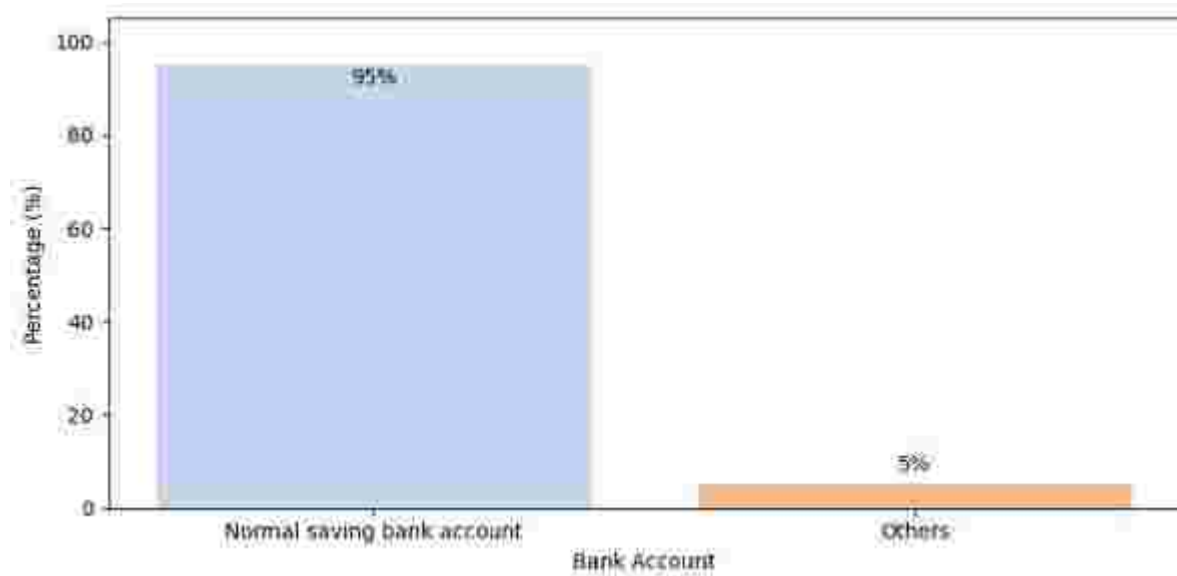
Fig AP 2.2: Gender Distribution



AP.2.3 Type of Bank Account

Among the respondents, 95.0% use normal savings bank accounts, and only 5.0% use other Accounts. This indicates a significant shift toward mainstream banking products, suggesting increased financial inclusion beyond basic zero-balance accounts.

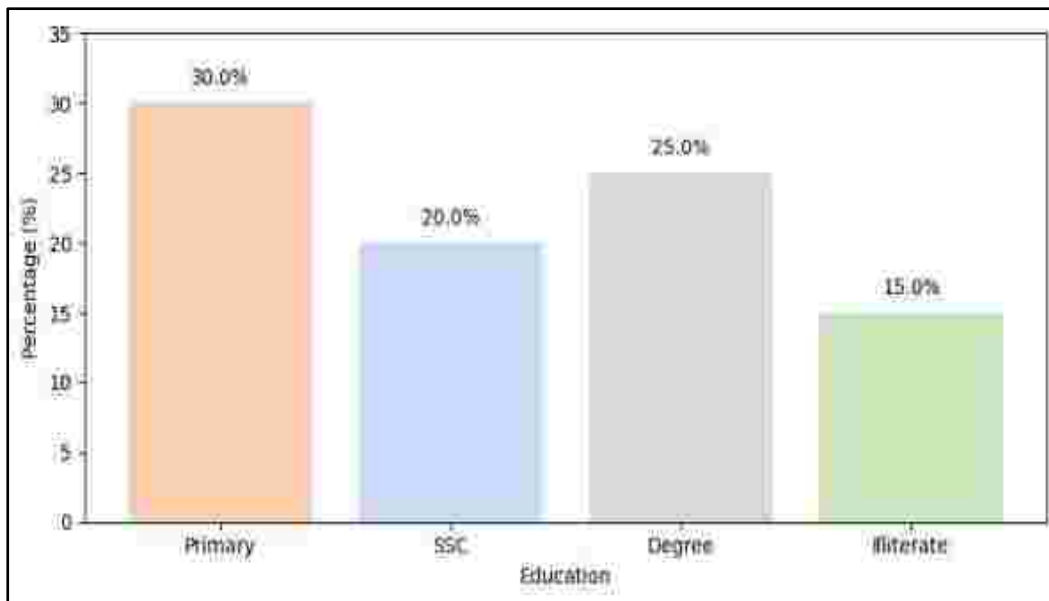
Fig AP 2.3: Type of Bank Account



AP.2.4 Education Level

Among the respondents, 30.0% are educated up to primary level, 20.0% up to secondary, and 26.7% have degree, 16.7% illiterate with only a few having ITI. This indicates strong participation by individuals with primary education, suggesting the scheme effectively targets people with primary education likely involved in informal or semi-skilled occupations and followed by people with degree who are interested in business and other works.

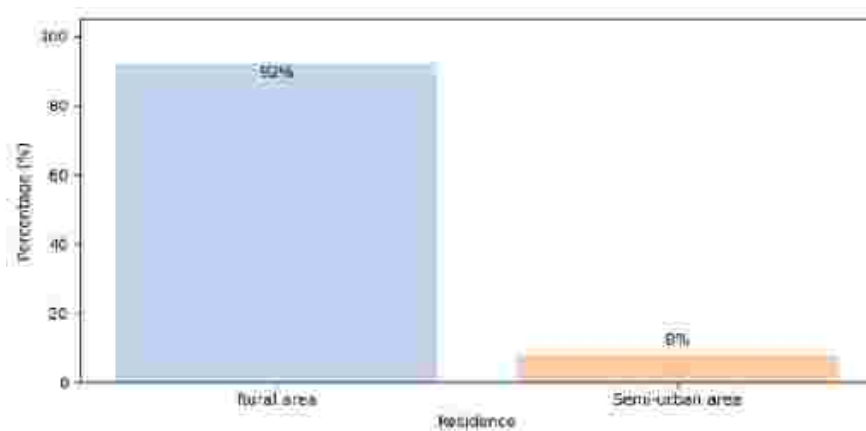
Fig AP 2.4: Level of Education



AP.2.5 Residential Area

Among the respondents, 92% in rural, and 8% in semi-urban areas. This suggests that most beneficiaries are rural-based and shows awareness programs working on rural areas. However, a small percentage of semi-urban shows scheme better utilized in the rural areas than utilized by cities.

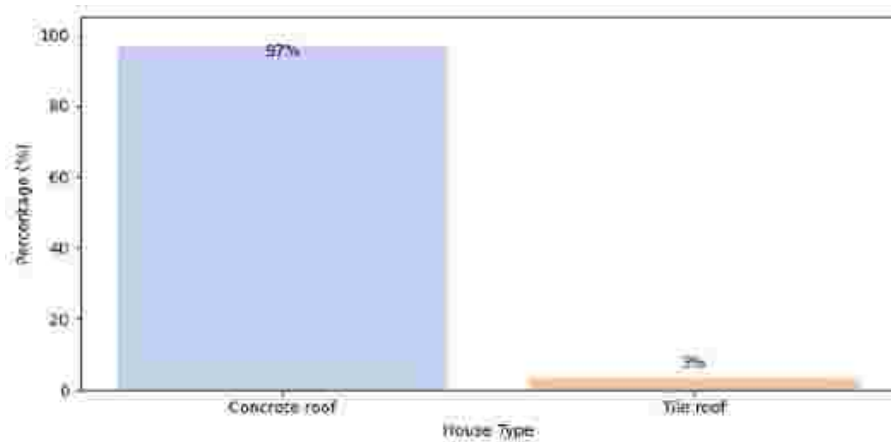
Fig AP 2.5: Areas of Residence (%)



AP.2.6 Type of House

Among the respondents, 97% reside in concrete-roofed houses, while 3% live in tile-roofed homes. This indicates a significant representation of individuals in secure housing conditions, pointing to a relatively stable socio-economic base among beneficiaries.

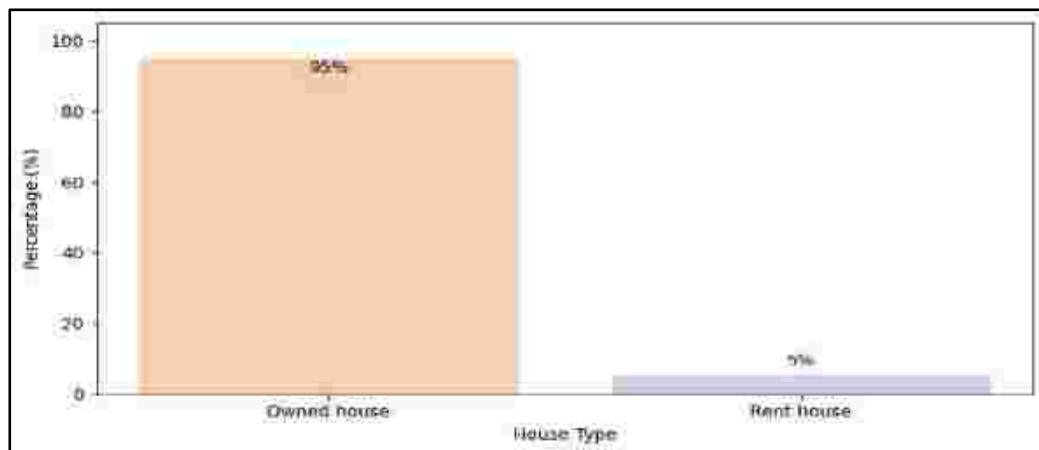
Fig AP 2.6: Type of house



AP.2.7 Ownership of Residence

Among the respondents, 95% live in self-owned houses, while only 5% reside in rental accommodations. This reflects residential security among beneficiaries, often considered a positive factor for financial eligibility and loan recovery potential.

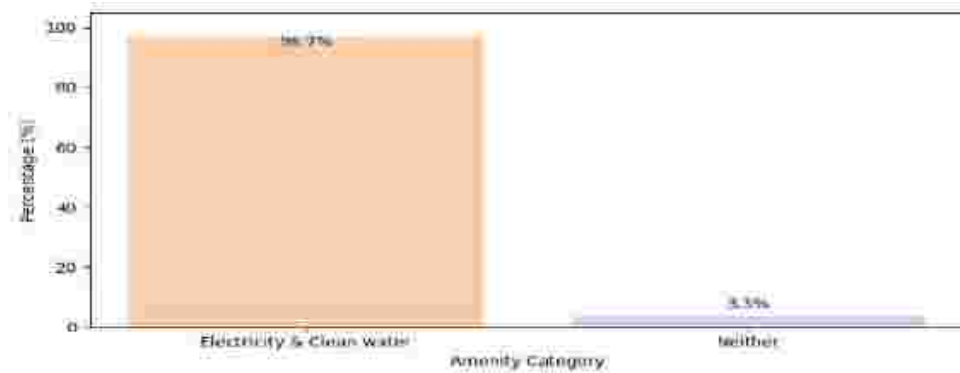
Fig AP2.7



AP.2.8 Electricity and Water Availability at Home

96.7% of beneficiaries have access to both electricity and clean water, reflecting strong foundational infrastructure coverage across the surveyed population. Only **3.3%** have neither, which shows schemes are effective in improving basic necessities.

Fig AP 2.8

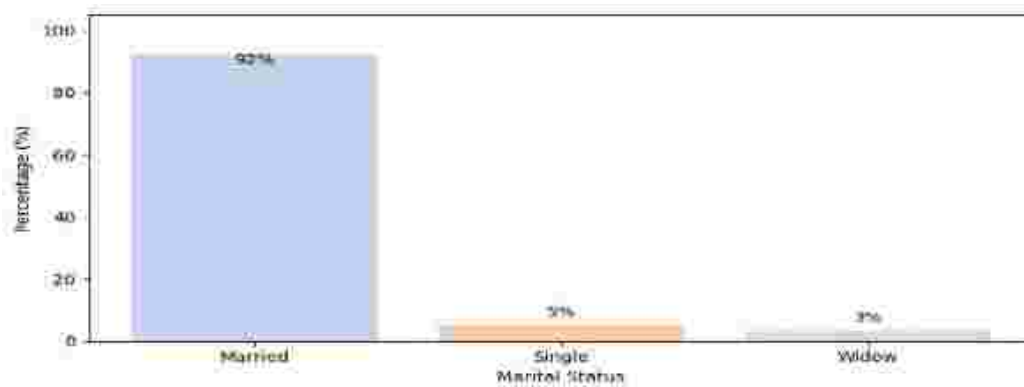


AP.2.9 Marital Status

The majority of respondents (92%) identified as married, indicating that the NBCFDC schemes are primarily reaching family-centred individuals, many of whom are likely the primary earners or jointly responsible for household welfare. A smaller segment, 5%, are single, highlighting inclusion of independent individuals, possibly young adults or early-stage entrepreneurs.

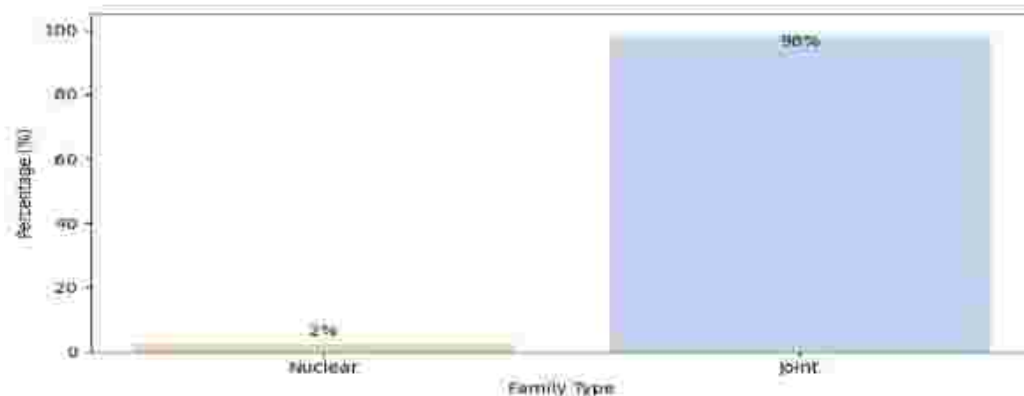
Just 3% of the beneficiaries are widowed, representing a vulnerable demographic that may require more targeted support.

Fig AP 2.9



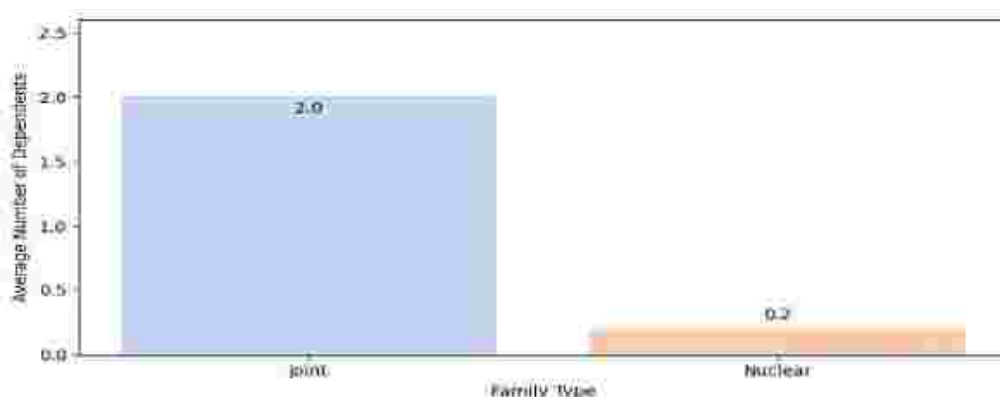
AP.2.10 Nature of Family

Fig AP 2.10.1



The distribution of beneficiaries shows divide between nuclear families (2%) and joint families (98%), suggesting that the NBCFDC effectively reaching households with joint families. This shows the scheme helping even the disappearing nuclear family structure along with modern family structure.

Fig AP2.10.2



When comparing the number of dependents, joint families have a higher average at 2 dependents, while nuclear families average 0.2 dependents. The divide is expected as it is consistent with expectations— joint families often include extended members such as parents, in-laws, or siblings, increasing dependency.

AP.3 Annual Family Household Income

AP.3.1 Annual Family Household Income of Beneficiaries pre vs post loan

Table AP3.1.1: Annual Income Pre- loan

Income Levels	Response	Percentage
Below 1.5 Lakh	24	69
1.5–2.25 Lakh	4	11
2.25–3 Lakh	7	20
Total Count	35	100

Table AP3.1.2: Annual Income Post- loan

Income Levels	Response	Percentage
Below 1.5 Lakh	16	46
1.5 – 2.25 Lakh	4	11
2.25 – 3 Lakh	4	11
Above 3 Lakh	11	31
Total Count	35	100

The annual income distribution before and after the loan shows a clear upward shift in beneficiary earnings, with a large share initially concentrated in the below ₹1.5 lakh category, indicating predominantly low-income households engaged in subsistence-level economic activities. After the loan, although many beneficiaries still fall in the lowest bracket, there is a noticeable movement into higher income ranges particularly the ₹2.25–3 lakh and above ₹3

lakh categories, reflecting improved business turnover, enhanced productivity, and diversification of income sources enabled by loan-supported assets. The increase in the proportion of households in higher annual income brackets demonstrates that the financial support has contributed to strengthening livelihoods and reducing income vulnerability among beneficiaries.

AP.3.2 Change in Annual Family Household Income Pre and Post Loan

Table AP3.2.1: Change in Annual Income

Income Category	Before Loan (%)	After Loan (%)	Change (Percentage Points)
Below 1.5 Lakh	69%	46%	-23 pp
1.5–2.25 Lakh	11%	11%	0 pp
2.25–3 Lakh	20%	11%	-9 pp
Above 3 Lakh	0%	31%	+31 pp
Total	100%	100%	

The percentage distribution shows a clear upward shift in income levels following the loan intervention, with the share of households in the lowest bracket (below ₹1.5 lakh) reducing sharply by 23% of beneficiaries. While the middle-income categories remained stable or saw slight declines, this is largely due to a substantial rise of 31% beneficiaries in the highest income bracket, i.e., households earning above ₹3 lakh annually. This pattern indicates meaningful upward mobility, suggesting that the loan played a significant role in boosting income-generating capacity and helping beneficiaries transition into more secure and higher-earning livelihood positions.

AP.4 Average Household Monthly Income Pre and Post loan (in Rs)

A clear improvement was observed in household income levels after the uptake of the loan, with the average monthly income rising from ₹12,545 to ₹19,375. This indicates a substantial increase of approximately 54%, reflecting the positive impact of the loan on enhancing earning capacity. The rise suggests that beneficiaries were able to expand their economic activities, improve productivity, or diversify their income sources following the financial support, resulting in stronger and more sustainable livelihood outcomes.

AP.4.1 Employment Status

The distribution of employment status among the beneficiaries reveals a strong dominance of self-employment, with approximately 91.9% of respondents engaged in self-employed occupations. This indicates that the NBCFDC schemes are primarily reaching individuals who are either running small businesses or are involved in informal economic activities, reflecting the program's alignment with grassroots entrepreneurial needs. Only 8.1% of respondents reported being unemployed despite having undertaken the loan, indicating that the scheme has predominantly reached economically active individuals who are in a position to utilize financial support for income-generating activities.

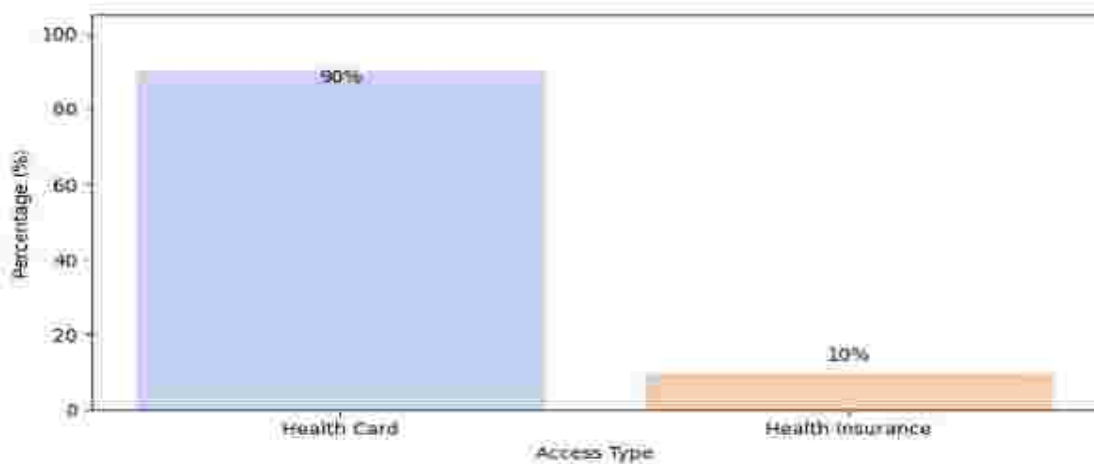
When examining the role of the main earner in the household, the data shows that in 62.2% of cases, the respondents themselves are the primary earners, indicating a substantial level of

economic self-reliance among beneficiaries. Meanwhile, in about 21.6% of households, the main earner is referred to as “Owner,” likely implying the head of the household or the principal economic contributor other than the respondent. The remaining 16.2% reflect a mixed category, including spouses, sons, or other named individuals, highlighting the presence of shared earning responsibilities. This distribution reflects the diversity in household structures and income sources, while also demonstrating that the scheme effectively supports both individual and family-led economic units.

AP.4.2 Healthcare Access

Approximately 90% of respondents reported having access to some form of Arogya Sree, including Ayushman cards, LIC policies, government insurance schemes, or private insurance—and were able to access services without major barriers.

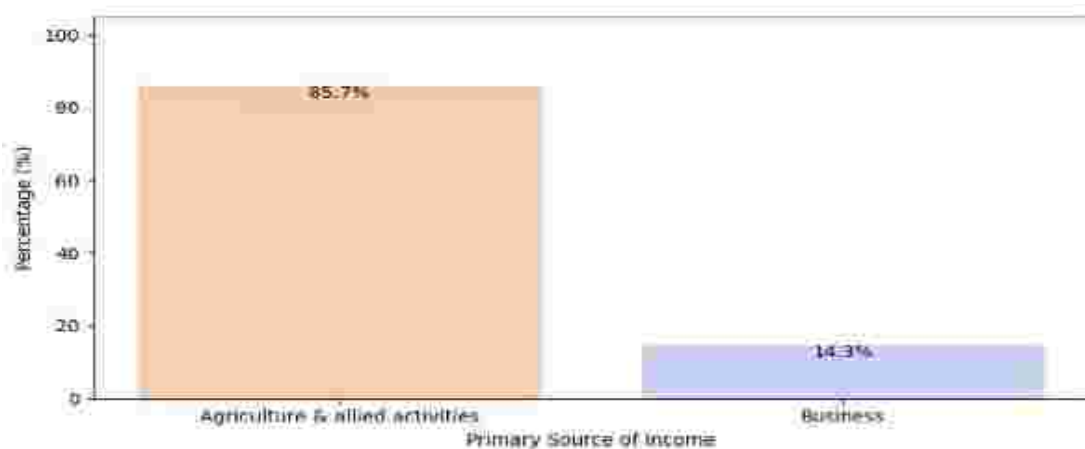
Fig AP4.2



In addition, 10% of the beneficiaries rely on direct government facilities such as government hospitals, dispensaries, or government health cards, without mentioning insurance as a mediator. This underlines the continued dependence on public infrastructure for primary healthcare services.

AP.4.3 Primary Source of Income

Fig AP4.3



85.7% of respondents report Agriculture relative work as their primary source of income. This reflects the scheme's strong alignment with microenterprise and self-employment sectors, affirming its relevance to Agriculture relative work and daily wages form the backbone of rural and peri-urban economies.

Only 14.3% of beneficiaries reported business as their main livelihood, suggesting minimal participation from the most vulnerable labouring classes. This may indicate either challenges in outreach, credit eligibility, or confidence among daily wage earners to engage with structured financial products.

AP.5 Analysis of the Loan Access, Utilization, and Impact Assessment

In case of disbursal of the loans, 88.6% % of the beneficiaries reported to have received the full amount they applied for, while 11.4% experienced partial disbursement. To understand the overall responsiveness of the loan disbursal process, the average disbursal rate was calculated as the ratio of the amount received to the amount applied, across all respondents.

AP.5.1 Awareness & Facilitation

The analysis of responses regarding how beneficiaries applied for the loan indicates that a majority (80%) reported applying independently, without any external support. This suggests a fairly high level of confidence and awareness among respondents about the loan application process.

A share, around 20%, reported that they handled the entire process personally, reinforcing the finding that a few respondents were not only independent but also fully self-sufficient in dealing with procedural aspects.

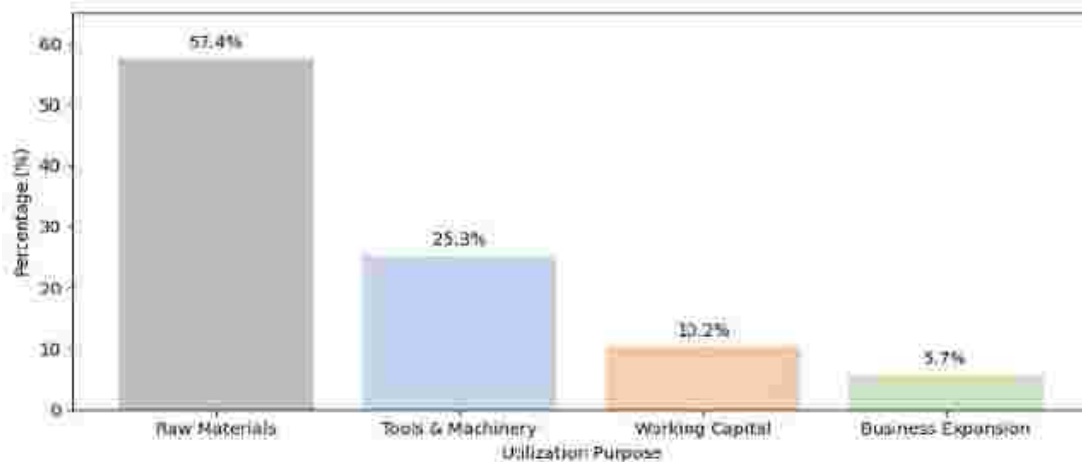
Overall, while the majority appear to be capable of managing the process on their own, the data also suggests that indicating a potential need to strengthen facilitation services, simplify procedures, or enhance outreach to ensure broader accessibility and ease.

AP.5.2 Utilization of Loan for the Intended Purpose

The analysis of loan utilization patterns among beneficiaries indicates that a significant majority reported using the loan for the purchase of raw materials, with approximately 57.1% of respondents selecting this option. This suggests that immediate operational inputs remain a primary concern for most borrowers, especially those engaged in small-scale production or trade activities.

About 25.7% of the beneficiaries utilized their loans to acquire tools and machinery, reflecting a notable investment in fixed assets that could contribute to enhanced productivity or service delivery. This points to a willingness among many respondents to use credit for capacity-building rather than just short-term needs. A smaller share, around 11.4%, reported using the loan for working capital purposes, such as meeting daily business operational expenses. While this category reflects important liquidity needs, it was less prominent compared to raw material procurement or asset purchase.

Fig AP 5.2



Relatively fewer respondents, about 5.7%, reported using the loan for business expansion, such as acquiring additional space or scaling their operations. This limited engagement in long-term growth-oriented utilization may suggest risk aversion or limited enterprise margins within the target group. Usage for marketing and promotion was negligible and there were no significant responses related to training or repayment of prior debts, indicating that strategic or developmental aspects of enterprise management remain under-addressed.

AP.5.3 Insurance and Risk Coverage

During field interactions and FGDs conducted in Andhra Pradesh, it was observed that beneficiaries generally lacked awareness regarding insurance components linked to their loans. However, beneficiaries were neither informed about the purpose of this deduction nor made aware that an insurance policy had been initiated on their behalf.

As a result, there was no follow-up or renewal in subsequent years, and no structured mechanism appears to be in place for continued coverage. Only a very limited number of respondents acknowledged having received or opted for insurance coverage at the time of loan disbursement. The majority were either unaware of such provisions or reported that insurance was not explicitly offered to them.

This reflects a missed opportunity in advancing financial protection for economically vulnerable households. The absence of insurance coverage—particularly for physical assets, crops, or livestock financed through the loan—exposes beneficiaries to significant risks. Strengthening communication on insurance components and institutionalizing renewal mechanisms could substantially improve the resilience of these households. Enhancing financial literacy and building institutional protocols around mandatory or optional insurance offerings may be critical steps in bridging this gap.

AP.5.4 Post- Loan Outcomes

The post-loan outcomes observed among beneficiaries present a diverse but generally encouraging picture of economic progress. A considerable number of respondents reported having made profits through the enterprises supported by NBCFDC loans. While exact values

vary, most estimates suggest monthly or seasonal profits ranging between ₹6,000 and ₹50,000, with some outliers indicating earnings in the range of ₹80,000–₹100,000. In qualitative terms, beneficiaries conveyed satisfaction with business growth, and some even referred to expansion—such as increasing shop size or acquiring equipment for food-based enterprises. These patterns suggest that the loans have translated into tangible income generation, particularly for those operating in small trade or service sectors.

Although employment generation was limited, a few respondents reported creating local employment, especially in Coconut plantation another cited seasonal work paid daily wages per a day work.

Savings behaviour was found to be relatively strong, with the majority of respondents indicating they save regularly. This reflects positively on financial discipline and the transition toward more stable household cash flow.

AP.5.5 Creation of Assets

Table AP 5.5

Asset Category	Responses	Percentage
Enhancement of agri activities	11	31
Irrigation for field	9	26
Sampling and seeds	8	23
Cattle rearing	6	17
Stock for shop	1	3
Total	35	100

The asset distribution shows a strong preference for agriculture-focused investments, with Enhancement of agricultural activities (31%), Irrigation support (26%), and Sampling and seeds (23%) together accounting for more than four-fifths of all assets created. This clearly indicates that beneficiaries are primarily dependent on farming and are investing in improvements that directly boost productivity, input quality, and crop reliability. Cattle rearing (17%) emerges as an important secondary livelihood activity, reflecting diversification within the agricultural ecosystem rather than a shift away from it. The very small share of Stock for shop (3%) suggests limited movement toward non-farm enterprises, likely due to risk aversion or limited market opportunities. Overall, the pattern highlights a community deeply rooted in agriculture, prioritizing assets that strengthen farm-based livelihoods and enhance income stability.

AP.6 Analysis of the Perception-Based Assessment of Loan Experience and Impact through Likert Scale

To assess beneficiaries’ perceptions and experiences, a set of Likert scale questions was included in the survey. Respondents were asked to rate their satisfaction with loan services, the impact of the loan on their social and economic well-being, and changes related to women’s empowerment. Each set of statements was rated on a standard 5-point scale, tailored to the theme.

The findings from the Likert scale analysis have been shown through visualizations in their respective sections given below:

AP.6.1 Satisfaction with Loan Services

The responses on the questions in the Likert scale for this category has been tabled and the observations are given below.

Table AP6.1: Likert responses on questions relation to Satisfaction with Loan Services

Questions	Number of responses for each scale			
	1	3	4	5
Satisfaction with the loan scheme availed	0	0	12	23
Assistance and guidance	0	0	12	23
Time taken for Loan approval	0	2	10	23
Interest rates	0	0	12	23
Fund disbursement process	0	0	12	23
Amount of loan disbursed	0	0	12	23
Loan Repayment Terms	0	0	12	23
Transparency of Loan Terms	0	0	12	23
Employee behaviour	0	0	12	23
Guarantee requirements	0	0	12	23

AP.6.2 Analysis of Beneficiary Satisfaction on Loan Process

- The satisfaction data indicates a generally high level of approval among beneficiaries for most aspects of the NBCFDC-supported loan process. Parameters such as fund disbursement, time taken for approval, and overall loan scheme satisfaction received overwhelmingly positive responses, with the majority of respondents (over 65.7%) consistently rating these parameters at level 5.
- Fund Disbursement Process stood out as the most positively rated parameter, with 23 out of 35 respondents assigning it the highest score (5), and 12 marking it at level 4.
- Time Taken for Loan Approval and Assistance provided by the Agency also performed very well, receiving level 5 ratings from 23 and level 4 from 10 respondents respectively, further reinforcing operational efficiency and institutional support.
- Satisfaction with the Loan Scheme Overall was rated 5 by 23 respondents, demonstrating a strong perception of the scheme’s relevance and impact.
- In conclusion Each category — from satisfaction with the loan scheme and interest rates to employee behaviour and loan repayment terms — shows the same pattern, with approximately two-thirds of respondents rating the service as excellent (5) and one-third as good (4). This consistency implies a well-structured and customer-focused loan process. The fact that all elements, including more complex issues like transparency and fund disbursement, received high ratings suggests that the institution has effectively addressed the common pain points typically associated with loan services.

Socio-Economic Standard of Living

The responses on the questions in the Likert scale for this category has been tabled and the observations are given below.

Table AP6.2: Likert responses on questions relating to Socio-Economic Standard of Living

Questions	Number of responses for each scale				
	1	2	3	4	5
Food and Nutritional Standards	0	0	2	33	0
Clothing standards	0	0	0	33	2
Asset ownership	0	0	0	33	2
Household Savings	0	0	0	33	2
Overall living standards	0	0	0	33	2
Ability to repay debts	0	0	0	33	2

AP.6.3 Analysis of Socio-Economic Impact Indicators

The feedback provided through Likert-scale responses reveals strong positive perceptions regarding the impact of NBCFDC-supported loans on various aspects of socio-economic well-being.

- Ability to Repay Debts emerged as the most positively rated dimension, with 33 out of 35 respondents rating it at level 4. This reflects a high level of confidence in financial stability and repayment capacity post-loan.
- Household Savings and Overall Living Standards also received overwhelming endorsement, with 33 and 35 respondents, respectively, assigning the highest rating of 4. This suggests meaningful improvements in both financial behaviour and quality of life.
- Clothing Standards and Food and Nutritional Standards similarly showed favourable outcomes, with 33 out 35 respondents rating them at level 4. These indicators reflect enhanced consumption capacity and basic needs fulfilment.
- Asset Ownership showed a relatively broader spread across ratings, the majority still rated it 4 or 5, indicating tangible asset gains but with variation depending on household.
- Notably, there are no responses in the lower end of the scale (1, 2), suggesting that none of the respondents rated their standard of living as poor or very poor. The majority of responses cluster at level 4, with a small number at level 5, indicating a generally positive outlook on socio-economic conditions among the participants.

AP.7 Non-beneficiary Analysis

AP.7.1 Profile of Non-Beneficiaries

The NBCFDC scheme in Andhra Pradesh was designed to extend concessional loans to economically weaker sections for improving livelihood opportunities. However, survey findings indicate that despite clear eligibility, a section of applicants remained **non-**

beneficiaries due to structural and procedural constraints. A total of 35 non-beneficiaries were surveyed from Andhra Pradesh for the evaluation. The following table shows the parameter-wise findings for the non-beneficiary analysis.

Table AP7.1: Parameter-Wise Analysis of the Non-beneficiary survey

Parameter	Analysis
What is your gender?	Male: 72.0%; Female: 28.0%
What is your highest level of education?	Secondary: 32.0%; Graduate or higher: 32.0%; Primary: 24.0%; No formal education: 12.0%
Where do you currently reside?	Rural area: 84.0%; Semi-urban area: 8.0%; Urban area: 8.0%
What is the Nature of the house occupied?	Concrete Roof: 96.0%; Sheet Roof: 4.0%
What amenities are available in your home?	Electricity: 100%; Piped Water: 96.0%; Sanitation: 84.0%; Internet: 0%
What is your marital status?	Married: 92.0%; Widowed: 4.0%; Single: 4.0%
What is the Nature of Family?	Joint: 100.0%; Nuclear: 0.0%
Number of Dependents	0 dependents: 20.0%; 1–2 dependents: 52.0%; 3– 4 dependents: 28.0%
What was your annual household income during 2020 to 2023?	Below 1.5 Lakh: 80.0%; 1.5–2.25 Lakh: 8.0%; 2.25–3 Lakh: 4.0%; Above 3 Lakh: 4.0%
What is your annual household income now?	Below 1.5 Lakh: 72.0%; 1.5–2.25 Lakh: 16.0%; 2.25–3 Lakh: 4.0%; Above 3 Lakh: 4.0%
What is your current employment status?	Self-employed: 88.0%; Employed (salaried): 12.0%
What is your current economic status?	BPL: 92.0%; Above BPL: 8.0%
What is your primary source of income?	Agriculture: 72.0%; Business: 28.0%; Salaried job: 12.0%

Non-beneficiaries in Andhra Pradesh came from across the low (<₹1.5 lakh), mid (₹1.8 lakh), and high (₹2.0 lakh) income brackets, with the largest share in the low and mid categories. Their income levels during 2020–2023 qualified them for the scheme, yet by 2024, their economic progression was minimal. A majority reported only minor increases of up to ₹12,000 annually, while a few recorded improvements of ₹18,000 or ₹24,000. In contrast, beneficiaries showed better economic growth, indicating that access to NBCFDC support helped improve their income levels and resilience.

AP.7.2 Reasons for Non-Beneficiary Status

The reasons why eligible applicants remained non-beneficiaries include:

- i. Inadequate awareness campaigns that failed to reach certain sections of the population.
- ii. Complicated loan application procedures, discouraging those with limited literacy or digital skills.
- iii. Lack of guidance and handholding support during the application stage, which left many potential applicants unable to complete the process.
- iv. Mismatch between expected and sanctioned loan amounts, leading to disinterest and voluntary withdrawal from the scheme.

The Andhra Pradesh findings emphasize that eligibility was not the primary issue—rather, barriers of limited awareness, procedural hurdles, insufficient support, and unmet loan expectations restricted many applicants from availing of the scheme. Non-beneficiaries thus recorded only modest income gains, while beneficiaries achieved relatively better improvements. For the scheme to be more inclusive in Andhra Pradesh, efforts are required to expand outreach, simplify procedures, and strengthen applicant support mechanisms so that all eligible individuals can access the intended benefits.

AP.7.3 Key discussion points with the SCA

Scheme Implementation

- The SCA has been associated with NBCFDC since 1995, indicating over three decades of experience in social sector lending. It manages multiple schemes— Mahila Samridhi Yojana (MSY), Micro Credit Scheme (MCS), Education Loan Scheme, and Term Loan Scheme—each targeting different segments, including women, students, micro-entrepreneurs, and traditional artisans. This diverse portfolio demonstrates a comprehensive developmental intent.
- Beneficiary selection is carried out through a combination of open applications and partner recommendations, integrating both outreach and community-based identification. Awareness generation is predominantly field-driven, leveraging grassroots functionaries such as sarpanches and councillors to engage target groups. This bottom-up approach enhances both coverage and credibility at the village level.

Loan Disbursement and Monitoring

- Loan disbursements are made via Direct Benefit Transfer (DBT) or RTGS, reinforcing transparency. Pre-loan counselling is actively conducted, covering financial literacy, business planning, and repayment orientation, reflecting a commitment to responsible financing.
- The application system is online through the website, yet still accommodates offline submission, ensuring inclusivity across digital literacy levels. However, the absence of a Distress Relief Fund points to a vulnerability in protecting borrowers during unforeseen crises. The SCA also extends its reach by implementing NMDFC (minorities) and NDFDC (disabilities) schemes, showcasing multidimensional inclusion.
- Loan recovery strategies are robust, combining home visits by officers with online repayment options, balancing personal accountability with technological convenience. Disbursement timelines typically range from 1 to 3 months, which, while reasonable, could be further improved through automation and process standardization.
- The average loan size lies between ₹50,000 and ₹1 lakh, appropriately serving the micro and small enterprise segment. Risk management is ensured through guarantees for loans up to ₹1.5 lakh and collaterals or multiple guarantors for higher amounts, aligning financial access with prudent underwriting.
- Recovery rates have consistently improved over the past three years—90% in 2020–21, 95% in 2021–22, and 95% in 2022–23—highlighting strengthened monitoring and borrower

responsibility. Disaggregated data shows that term loans for traditional businesses saw peak demand, while education loans saw low uptake, perhaps due to stringent criteria or poor linkage with career support systems.

AP.8 Impact Assessment of NBCFDC Lending Schemes in Andhra Pradesh: A Parameter-Based Synthesis in a Nutshell

AP.8.1 Economic Upliftment and Financial Stability

The NBCFDC-supported lending schemes have demonstrated a substantial role in fostering economic resilience among beneficiaries in Andhra Pradesh. A dominant 91.9% of respondents are engaged in self-employment, with business activities cited as the primary income source by 97.3%, indicating deep alignment between the scheme's intent and actual economic practice.

The largest concentration of borrowers lies in the ₹20,000–₹40,000 income bracket (45%) suggesting the scheme's penetration among financially active but modest-income groups. Notably, household savings behaviour is robust, with Likert responses indicating that over 80% rated their savings capacity at level 4, signifying post-loan improvements in financial security. Asset acquisition has also improved, though unevenly—reflected in 33 out of 35 respondents assigning top tier scores for this aspect.

AP.8.2 Loan Utilization Efficiency and Repayment Behaviour

Loan utilization in Andhra Pradesh has largely centred on productive activities, with 57.1% of respondents using funds for raw materials and 25.7% for tools and machinery. The loan disbursement effectiveness is reflected in a 90.1% average disbursement rate, and 88.6% of respondents reported receiving the full loan amount sanctioned.

AP.8.3 Entrepreneurial Outcomes and Business Sustainability

The loans have catalysed micro-enterprise formation and expansion. Beneficiaries reported monthly profits ranging from ₹6,000 to ₹50,000, with some exceptions reaching ₹1,00,000. While mass employment creation remains limited, certain sectors—such as tailoring—generated secondary employment. Business sustainability is most evident in loans above ₹1 lakh, which beneficiaries deemed sufficient for enterprise viability. Conversely, smaller loans (<₹50,000) were frequently flagged as inadequate, indicating a need to re-evaluate sanction limits based on business category.

Investment in durable goods and a few cases of re-investment signal early-stage enterprise strengthening.

AP.8.4 Social Impact and Empowerment

Social impact indicators suggest upward mobility and quality-of-life improvements. Over 94.3% of respondents reported enhanced living standards, improved food and clothing standards, and greater ability to repay debts—all rated at the highest Likert level (4) by the majority. However, women's participation remains modest, constituting only 31.7% of total beneficiaries.

AP.8.5 Institutional Accessibility and Implementation Efficiency

Institutional mechanisms in Andhra Pradesh display mixed performance. The online-offline hybrid application model ensures wide accessibility, and pre-loan counselling is routinely conducted. Most beneficiaries (80%) were able to apply independently, reflecting basic procedural clarity. Loan disbursement through DBT/RTGS mechanisms and field-based awareness via sarpanches enhance transparency and outreach. However, gaps persist in insurance awareness, where deductions are made without informing beneficiaries, leading to zero renewals.

Likewise, lack of post-loan verification, inadequate follow-up for education loans, and absence of a Distress Relief Fund remain process bottlenecks. Monitoring is staffed by 26 district officers, indicating intent and capacity, but needs more structured utilization tracking and grievance redress mechanisms.

AP.9 Success Stories

As part of the field survey conducted in Andhra Pradesh, inspiring success stories emerged, highlighting the tangible impact of NBCFDC-supported schemes on the lives of beneficiaries. These narratives reflect how access to credit, skill development, and support mechanisms have enabled individuals from marginalized communities to enhance their livelihoods, establish sustainable enterprises, and achieve socio-economic empowerment. The following case illustrations provide a glimpse into the transformative journeys of select beneficiaries, underscoring the relevance and effectiveness of the schemes at the grassroots level.

A. *Agriculture loan:*

Shri Challa Ramakrishna



1.	Name of SCA	Andhra Pradesh Backward Classes Co-operation Finance Corporation Ltd, UBI Bank.
2.	Name of Scheme	Agriculture loan
3.	Name of Beneficiary	Challa Ramakrishna

4.	S/W/D of	
5.	Complete Address	Vijayanagaram
6.	Project Details	Crop loan
7.	Loan Amount	Rs. 50,000
8.	Date of Disbursement	04.12.2021
9.	Income before & after taking Loan	Rs. 10,000/- & 30,000/-

The access to NBCFDC term loan became a turning point in Challa Ramakrishna's life. With the financial support, he was able to buy better-quality inputs for his crops, upgrade essential tools, and increase the overall capacity of his farming operations. These improvements resulted in higher productivity and a steady rise in income, which allowed him to repay the loan without difficulty. As his financial situation strengthened, he improved his family's living conditions by building a better home and ensuring greater stability for the future. The support he received also encouraged him to share his learning with other farmers in the village. His experience shows how timely financial assistance, when used effectively, can help small farmers transform their livelihoods and inspire others in their community.

B. Agri plantation

Adinarayana



1.	Name of SCA	Andhra Pradesh Backward Classes Co-operation Finance Corporation Ltd, UBI Bank.
2.	Name of Scheme	Agri plantation
3.	Name of Beneficiary	Adinarayana
4.	S/W/D of	
5.	Complete Address	Rellivalasa, Vijayanagaram
6.	Project Details	Agri coconut plantation
7.	Loan Amount	Rs. 50,000/-
8.	Date of Disbursement	01.10.2022
9.	Income before & after taking Loan	Rs. 15,000/- & 40,000/-

Adinarayana availed a loan of ₹50,000 under the scheme to strengthen and scale up his farming activities. With this timely support, he invested in quality saplings, organic fertilizers, and much-needed irrigation equipment, which allowed him to cultivate a healthier and more productive plantation on his small plot of land. He expressed heartfelt gratitude for the government's assistance, noting that the loan gave him not just financial backing but also the confidence to take bold steps in improving his farm. As the quality of his crops improved, his earnings increased steadily, bringing greater stability to his household. Today, Adinarayana's field stands out as an inspiring example for other farmers in the region. His successful use of the loan has not only boosted his income but has also enhanced the long-term potential and value of his land.

C. *Kirana store*

Satti Babu, Male Beneficiary, Vijayanagaram



1.	Name of SCA	Andhra Pradesh Backward Classes Co-operation Finance Corporation Ltd, UBI Bank.
2.	Name of Scheme	Small Business
3.	Name of Beneficiary	Satti Babu
4.	Complete Address	Vijayanagaram
5.	Project Details	Kirana Store
6.	Loan Amount	Rs. 50,000/-
7.	Date of Disbursement	2022
8.	Income before & after taking Loan	Rs. 10,000/- & 40,000/-

Satti Babu, a resident of Vijayanagaram, ran a small business in his village but had been struggling to keep it afloat. With the support of a ₹50,000 loan under the scheme, he was able to bring a remarkable change to his livelihood. The loan proved to be a turning point, enabling him to purchase goods in bulk at wholesale rates. This helped him increase his profit by nearly ₹30,000, effectively doubling his income compared to the pre-loan period. With this rise in

earnings, he was also able to support his children's education, something he once found difficult to manage. Today, Satti Babu owns a stable small business as well as a house and a vehicle, reflecting the progress he has achieved through hard work and timely financial support. His journey shows how even a modest loan can empower individuals, strengthen livelihoods, and create lasting improvement for families.

D. Agri loan

Ravalla Bangaramma, Female beneficiary, Vijayanagaram



1.	Name of SCA	Andhra Pradesh Backward Classes Co-operation Finance Corporation Ltd, Ubi Bank
2.	Name of Scheme	Agri loan
3.	Name of Beneficiary	Ravalla Bangaramma
4.	Complete Address	Vijayanagaram
5.	Project Details	Buffaloes
6.	Loan Amount	Rs. 75,000/-
7.	Year of Disbursement	04/12/2021
8.	Income before & after taking Loan	Rs. 10,000/- & 30,000/-

Ravalla Bangaramma availed a loan of ₹75,000 under the scheme to expand her small dairy business. Earlier, she owned only a few buffaloes and earned about ₹10,000 per month, which was enough for basic household needs but left little room for growth. With the loan, she was able to purchase additional buffaloes and improve the quality of feed by buying better hay, clover, and other nutritious fodder. This led to higher milk production and a more stable daily output. With the support of her family, Ravalla now manages a larger and more efficient dairy farm and earns nearly twice the income she did before availing the loan. From the earning that the loan has generated for her, she contributes significantly to her household expenses and has

strengthened the financial stability of her family. Her experience shows that even a modest loan, when used effectively, can help a small business grow and improve a family's overall livelihood.

The analysis reveals an average disbursement rate of approximately 90.1%, indicating that, on average, beneficiaries received 90 paise for every rupee they applied for. A closer look shows that full disbursements were most common in cases where the requested loan amount was ₹50,000 or ₹100,000. These cases were typically approved without deduction.



State Report

Bihar



State Report -Bihar

B.1. Background of Union Bank of India, Bihar

Union Bank of India, the CP disburses Small Loan for Agriculture and Allied purposes since the year 2018 under NBCFDC scheme. Beneficiaries are selected through open application and the amount gets directly transferred to the account of the beneficiaries. Before giving the loan SCA generally provides counselling to the beneficiaries on Finance literacy, Business planning and Repayment awareness. No collateral guarantee required from the beneficiaries. However, few beneficiaries mentioned that they have to make a fixed deposit in the bank before taking the loan. Bank is not treated it as collateral as it is voluntarily deposited by the beneficiaries. The fixed deposit is also on the name of the beneficiaries. An average loan size provided to the individual beneficiaries is estimated at Rs. 1,50,000/-. A significant portion of population, especially in rural areas, may not fully understand the scheme and its benefit due to a low literacy rate. For creating awareness among them, the bank organizes various financial literacy camps.

During the last three reference year of this study, i.e., 2020-21, 2021-22 and 2022-23 only 14 beneficiaries were provided loans under the scheme of NBCFDC in Bihar. Three out of 14 beneficiaries were women. Under the present study about 14 beneficiaries were contacted physically by the research team and gathered different information regarding their social status, schemes-related information through the structured questionnaire. The responses of various beneficiaries recorded in the Excel sheet have been briefly analyzed for preparing an interim report of the study.

Further, 14 non-beneficiaries as a control group were also contacted to know the reason behind not availing the benefit under NBCFDC despite having the eligibility and also gathered other related information through the structured questionnaire.

B.2. Disbursement Patterns of NBCFDC Loans in the State

As per the data provided by the CP, 14 beneficiaries have been given loans under NBCFDC loan categories during the period of 2020-2023. Out of these 100% of the loans has been given under Small Loan in the individual loan category. Out of the 14 beneficiaries in the state, all beneficiaries have been given loans under the agriculture/allied sector.

The distribution of beneficiaries across the districts of Bihar for the years 2020-23 is given below:

Table B.2.1: Distribution of beneficiaries across the districts of Bihar for the years 2020-23

Districts	Number of Beneficiaries
Patna	10
Arwal	3
Nalanda	1

Out of the total beneficiaries who have benefitted from the loan 3 are females, and 11 are males. The maximum amount of loan disbursed is Rs 3,00,000 Lakhs and the minimum amount is Rs 1,00,000 Lakh. The activities in which beneficiaries have been given the loans in are as follows:

Table B2.2: Activities in which beneficiaries were given the loans for the year 2020-23

Activity	Number of Beneficiaries
Agriculture and allied	14
Small business	-
Transport sector	-
Service sector	-
Other	-

All 14 beneficiaries were engaged in Agriculture and Allied activities. The loans availed by them were mostly directed towards supporting and expanding these activities, reflecting the sector's significance as their primary source of livelihood.

B.3. Sample Design and Data Sources

B.3.1. Sample Population

A sample size of 14 beneficiaries and 14 non-beneficiaries was determined in consultation and as per terms of reference given by NBCFDC for the state of Bihar as per the sampling plan for the study. All beneficiaries were interviewed based on the list of beneficiaries given by the CP. The interviews were done through the Kobo Tool and a Structured Closed Ended questionnaire.

In the study, the beneficiaries and non-beneficiaries of the NBCFDC loan scheme have been studied. The socio- economic information, scheme related information, loan utilization and business impact repayment and financial behaviour, satisfaction level with SCAs and Banks and socio and economic impact have been surveyed from the beneficiaries. From the non-beneficiaries, socio-economic information and scheme related information have been covered.

B.3.2. Sample Design Selection of Districts

The state of Bihar was selected for this evaluative study as per the proposed sampling plan. Therefore, the districts for which consent was received became part of the present study. These districts were selected in consultation with Union Bank of India.

B.3.3. Sources of Data

This was an empirical study intending for an evaluation of the lending schemes already implemented. The list of the beneficiaries for Small Loan of NBCFDC for the period of study (2020-23) was shared by the CP which comprised the name and other details of the beneficiary of the loan schemes. All the willing beneficiaries were contacted through the CP and were verified from the available list of beneficiaries. The evaluation for various other parameters like the utilization ratio, loan recovery ratio/ mechanism, number of defaulters and the mechanism of monitoring done for these loans by the CP has been collected through the questionnaires in

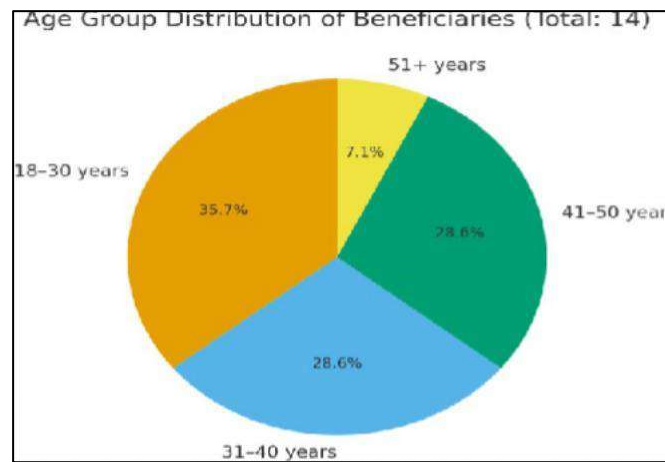
Kobo toolbox. Additionally, information has also been gathered from their websites and annual reports.

B.4. Analysis of the Socio-Economic Parameters

B.4.1. Age Group Distribution

The age distribution shows a concentration in the working-age population.

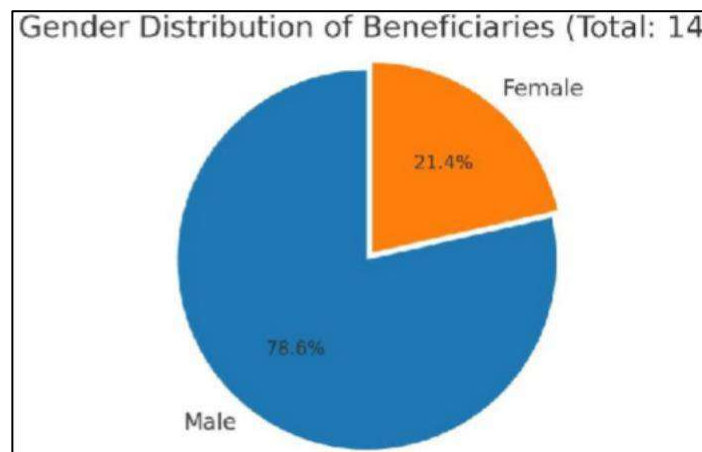
Fig: B4.1: Age distribution of beneficiaries



The age distribution of the 14 beneficiaries indicates that the majority fall within the working-age population, with the **18–30 years group being the most represented (35.7%)**, followed by an equal share of **31–40 years and 41–50 years groups (28.6% each)** and further **51+ years group accounts for 7.1%**.

B.4.2. Gender

Fig: B4.2: Gender distribution of beneficiaries



Regarding gender, males dominate the beneficiary group at 78%, while females make up 21.4%, and no beneficiaries are identified as other genders. This indicates that male participation significantly outweighs female involvement, which could be due to social, cultural, or accessibility factors.

B.4.3. Aadhar Card Ownership

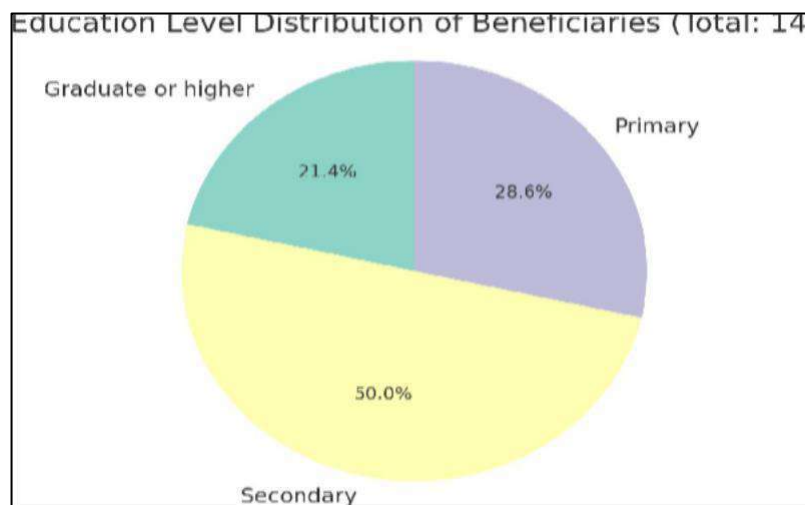
Every single respondent (**100%**) has an **Aadhaar card**, confirming full coverage in terms of national identification. This is a crucial enabler for accessing benefits and indicates that identity-linked schemes can be efficiently administered within this group.

B.4.4. Type of Bank Account

All respondents (**100%**) reported having a **normal savings bank account**. This is notable, as it shows deep financial inclusion, with no dependence on Jan Dhan or basic accounts. These individuals may already be participating in digital banking or formal lending systems.

B.4.5. Education Level

Fig: B4.5: Education Level distribution of beneficiaries

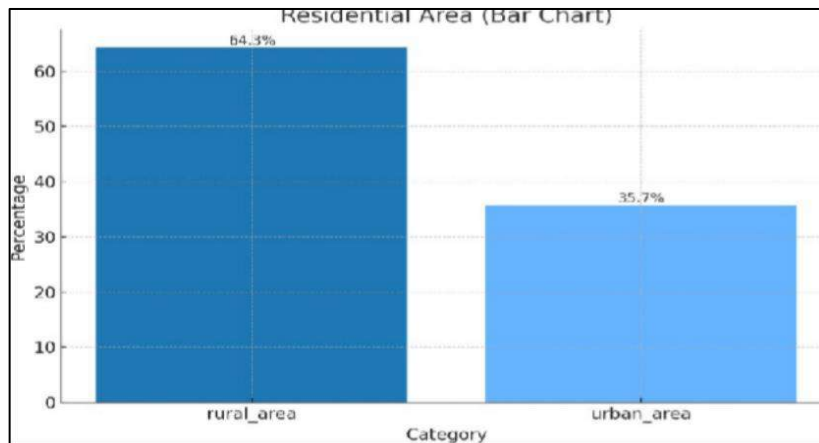


The analysis of education levels among 14 beneficiaries shows that 50% have studied up to secondary level, 28.6% up to primary level, and only 21.4% are graduates or higher, with none having postgraduate or advanced qualifications. This indicates that the majority possess basic to moderate education, while higher education attainment is limited, suggesting the need for focused capacity building and skill development initiatives to enhance opportunities for this group.

B.4.6. Residential Area

The majority of respondents currently reside in rural areas (64.3%). Urban areas account for 35.7% of the total, while no one reported living in semi-urban or metropolitan cities. This indicates a strong rural dominance in the sample population.

Fig: B 4.6: Residential Area



B.4.7. Ownership of Residence

All respondents (100%) reported living in their own houses. No respondents indicated staying in rental houses. This shows a complete preference for ownership among the surveyed group

Owning a house often corresponds to economic and social stability, and it may also impact creditworthiness when applying for loans.

B.4.8. Amenities Availability at Home

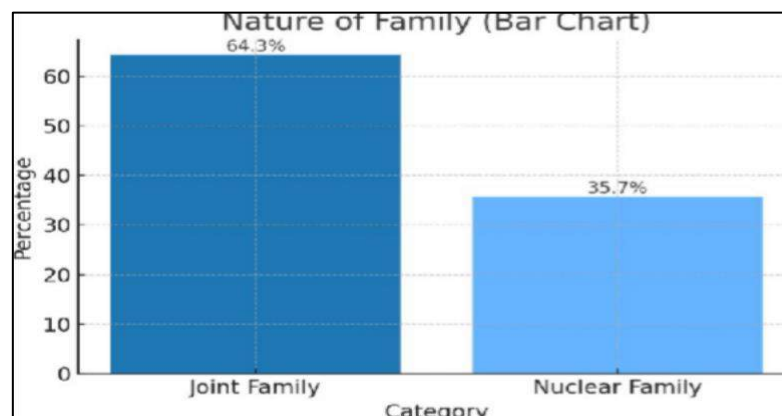
The analysis shows that all respondents (**100%**) have **access to electricity, piped water, and sanitation facilities**, highlighting a strong availability of basic infrastructure in the surveyed households. However, it is notable that none of the respondents reported access to internet services or a complete lack of amenities, pointing to potential gaps in digital connectivity despite strong basic utility coverage.

B.4.9. Marital Status

All the respondents (**100%**) were **married**. The entire sample being married individuals suggests that all beneficiaries have dependent family members, which affects financial planning, housing needs, and access to social benefits.

B.4.10. Nature of Family

Fig: B4.10: Nature of Family



A significant **64.3%** of respondents live in joint families, while **35.7%** are part of nuclear families. Nuclear households may face greater financial vulnerability due to fewer shared income sources, making them more dependent on external financial assistance.

B.4.11. Annual Family household Income Pre-Loan and Post-Loan

Table B4.11.1: Pre-Loan Analysis

Income Levels	Response	Percentage
Below 1.5 Lakh	3	21%
1.5-2.25 Lakh	1	7%
2.25 Lakh -3 Lakh	10	71%
Total count	14	100%

Table B4.11.2: Post- Loan Analysis

Income Levels	Response	Percentage
Below 1.5 Lakh	1	7%
1.5-2.25 Lakh	3	21%
2.25 Lakh -3 Lakh	3	21%
Above 3 Lakh	7	50%
Total count	14	100%

Table B4.11.3: Change in Income Levels: Pre vs Post Loan Uptake

Income Level	Before Loan (%)	After Loan (%)	Change in Percentage
Below 1.5 Lakh	21%	7%	-14%
1.5–2.25 Lakh	7%	21%	14%
2.25–3 Lakh	71%	21%	-50%
Above 3 Lakh	0%	50%	50%

The income distribution shows a clear and significant upward shift after the loan. The proportion of respondents in the lowest income bracket (below Rs 1.5 lakh) decreased by 14%, while the middle bracket of Rs 2.25–3 lakh reduced sharply by 50%, indicating that many individuals moved out of these lower-earning categories. At the same time, the share of respondents earning between Rs 1.5– 2.25 lakh increased by 14%, and, most notably, those earning above Rs 3 lakh rose by 50%. This strong upward movement across categories suggests that the loan has had a substantial positive impact on beneficiaries’ earning capacity, enabling a large proportion of them to transition into higher income levels.

B.4.12. Average Household Monthly Income Pre vs Post Loan Uptake (in Rs)

The average monthly income of respondents shows a notable improvement after receiving the loan. Before the loan, the average income stood at Rs 18,000, which increased to Rs 25,000 post-loan. This reflects an absolute rise of Rs 7,000 per month, indicating a 38.9% increase in average earning.

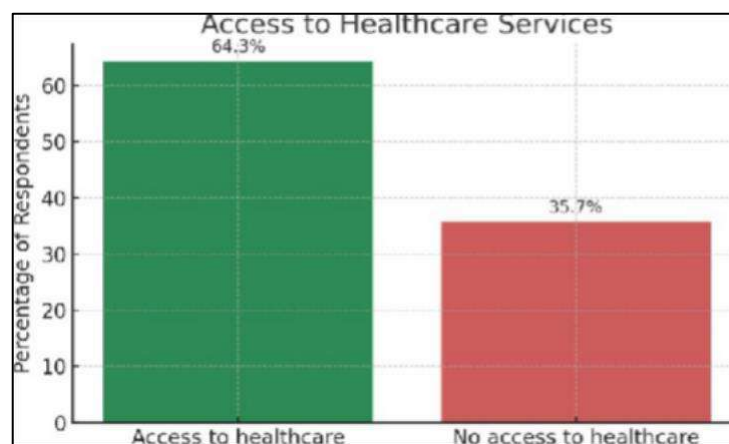
B.4.13. Employment Status The data shows that all beneficiaries in the sample (100%) are engaged in self-employment, with no representation from salaried employees, unemployed individuals, or students. This points to self-employment as the primary source of

livelihood, emphasizing a dependence on independent income-generating activities rather than formal jobs. However, this independence comes with challenges. In the absence of business insurance, access to formal credit, or strong market linkages, such enterprises often remain vulnerable to income shocks and market fluctuations. To strengthen their sustainability, these individuals could benefit from targeted microfinance initiatives, training in business development, and support through government or NGO-led livelihood programs.

B.4.13. Health-Care Access

The data reveals that while a majority of beneficiaries (64.3%) reported having access to healthcare services, a significant share—35.7% did not have access. This is a matter of concern, as it indicates that more than one-third of the respondents are excluded from government-supported schemes healthcare facilities. Such exclusion highlights barriers in the outreach and delivery of public health services, leaving a vulnerable section without essential care.

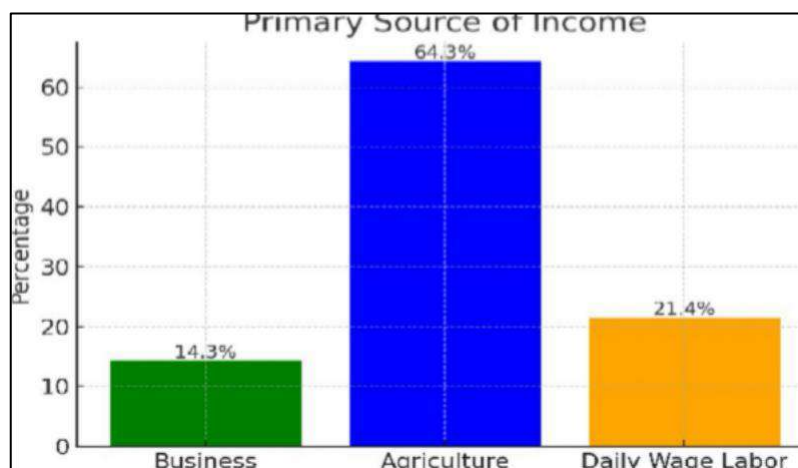
Fig: B 4.13: Access to Healthcare Services



This gap suggests a need to strengthen awareness programs, improve enrolment in government healthcare initiatives, and ensure effective last-mile service delivery. By bridging these gaps, beneficiaries can be better protected against medical risks, reducing financial burdens and improving overall well-being.

B.4.14. Nature of Work -Primary Source of Income

Fig: B4.14: Nature of Work-Primary Source of Income



The analysis of the data on primary sources of income shows that a majority of beneficiaries (**57.1%**) rely on agriculture as their main livelihood, making it the dominant income source. Business activities account for **14.3%**, while daily wage labor represents **21.4%**, highlighting the dependence of some households on less stable income streams. Only a small fraction (**7.1%**) is engaged in salaried jobs, reflecting limited access to formal employment opportunities. Overall, the data suggests that most beneficiaries depend on traditional and informal income sources, which may expose them to seasonal and economic vulnerabilities.

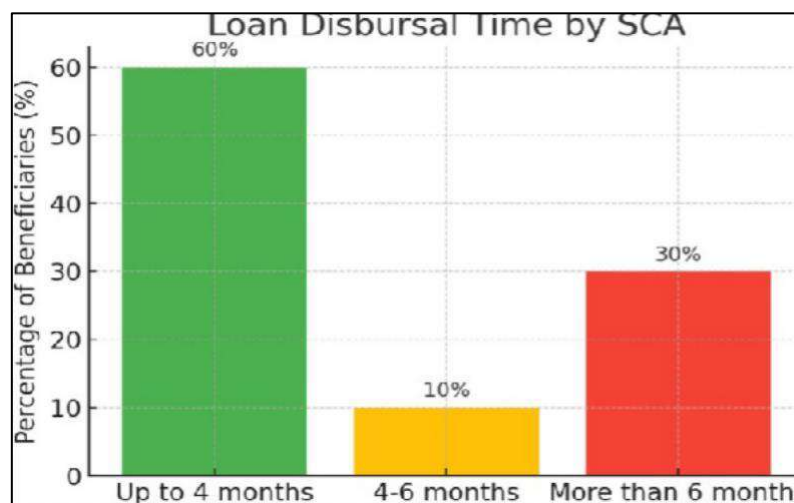
B.5. Analysis of the Loan Access, Utilization, and Impact Assessment

B.5.1. Time taken by the beneficiaries in obtaining loans from the SCA

Table B5.1: Time taken by the beneficiaries in obtaining loans from the SCA

Month Range	Responses	Percentage
Up to 4 months	6	60%
4-6 months	1	10%
More than 6 months	3	30%
Total Response	14	100%

Fig: B5.1: Loan Disbursal Time by SCA



The data indicates that a majority of loans (60%) were disbursed within 4 months, reflecting a fairly efficient loan processing system by the SCA that has enabled most beneficiaries to access credit in a timely manner. This is encouraging, as shorter disbursement periods are crucial for low-income households who often require immediate funds to sustain or expand livelihood activities.

However, 40% of beneficiaries faced delays beyond 4 months, with nearly 30% waiting more than six months for disbursement. Such extended delays can reduce the effectiveness of the scheme, as they hinder the ability of households to respond to urgent financial needs or seize time-sensitive economic opportunities. These delays may be attributed to procedural bottlenecks, lengthy verification processes, or administrative inefficiencies.

While the majority of loans were processed efficiently, the significant share of delayed cases points to the need for system improvements—such as digitization of applications, simplified documentation, and stronger monitoring mechanisms—to ensure equitable and timely access to financial support.

B.5.2. Purpose of Uptake of Loan

Table B5.2: Purpose of Uptake of loans

Purpose	Percentage
Purchase of raw materials	37.84%
Working capital	24.32%
Business expansion	13.51%
Training or skill development	10.81%
Repayment of old debts	10.81%
Marketing and promotion	2.7%

The data highlights that the primary use of loans was for the purchase of raw materials (37.84%), indicating the critical importance of ensuring a steady input supply for sustaining operations. Working capital (24.32%) emerged as the second major purpose, reflecting beneficiaries’ reliance on loans to meet day-to-day business needs. A notable share also went into business expansion (13.51%), suggesting efforts toward growth and diversification. Meanwhile, training or skill development (10.81%) and repayment of old debts (10.81%) point to both capacity-building initiatives and financial restructuring. Only a small fraction (2.7%) was invested in marketing and promotion, highlighting a potential gap in market outreach and visibility that could be strengthened for long-term sustainability.

B.5.3. Utilization of loans for the intended purpose

All beneficiaries (100%) reported utilizing the loan amount for its intended purpose. The funds were exclusively directed toward agriculture and allied activities, reflecting a strong alignment between the loan disbursement and its intended objective.



B.5.4. Awareness of NBCFDC Loan Scheme, Rate of Interest & Facilitation of Loans taken

Table B5.4: Responses of NBCFDC Loan Scheme and its Rate of Interest

Question	Response/Yes	Response/ Yes in %	Response/No	Response/ No in %
Whether understand interest calculation on loan?	14	100%	-	-
Are you satisfied with the customer service of the lending bank?	11	78.57%	3	21.42%
Do you find the interest rate fair and affordable?	14	100%	-	-

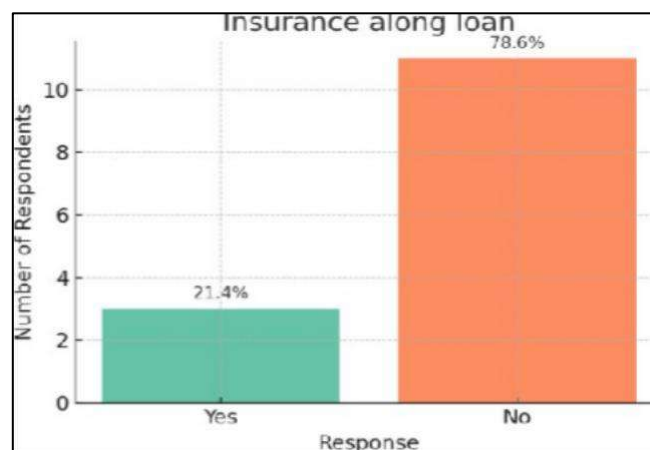
The data reveals that all beneficiaries (100%) fully understood the interest calculation on their loans, which reflects both financial awareness among borrowers and effective communication by the lending institutions. Similarly, 100% of respondents agreed that the interest rates were fair and affordable, highlighting a positive perception of the loan terms and cost of borrowing. This suggests that the scheme has been successful in ensuring transparency and affordability in its lending practices.

However, when it comes to customer service experience, satisfaction levels were slightly lower. While a majority of respondents (78.57%) reported being satisfied, a notable 21.42% expressed dissatisfaction with the services received. This indicates that although the overall lending process is transparent and affordable, there is room for improvement in the quality of customer interaction, support, and responsiveness by the lending banks.

Overall, the findings suggest that while financial aspects such as interest rates and calculations are well understood and appreciated, greater emphasis should be placed on improving customer service experience to ensure that all beneficiaries feel fully supported throughout the loan cycle.

B.5.5. Insurance and Risk Coverage

Fig: B5.5: Insurance along Loan



The responses indicate that only 21.4% of beneficiaries reported having some form of personal insurance or security cover under a scheme, while the vast majority (78.6%) did not. This shows that most respondents lack broader social or financial protection, leaving them exposed to

unexpected risks such as health emergencies, accidents, or livelihood disruptions. Strengthening awareness and accessibility of such schemes could significantly enhance their financial security.

Table B5.5: Creation of Assets from Uptake of Loan

Assets Created	Responses	Percentage
Purchase of raw materials	2	14%
Working capital	4	29%
Business expansion	4	29%
Training or skill development	3	21%
Marketing and promotion	1	7%

The distribution of assets created shows that the loan was primarily utilised for activities directly contributing to business operations and growth. The largest shares of respondents—29% each—used the loan for working capital and business expansion, indicating that nearly two-thirds of beneficiaries focused on strengthening or scaling their business activities. Another 21% invested in training or skill development, reflecting an emphasis on improving personal or workforce capacity to enhance productivity. About 14% of respondents used the funds for purchasing raw materials, showing support for operational continuity, while 7% allocated resources toward marketing and promotion, suggesting a smaller but relevant focus on improving business visibility.

B.6. Analysis of the Perception-Based Assessment of Loan Experience and Impact through Likert Scale

To assess beneficiaries’ perceptions and experiences, a set of Likert scale questions was included in the survey. Respondents were asked to rate their satisfaction with loan services, the impact of the loan on their social and economic well-being, and changes related to women’s empowerment. Each set of statements was rated on a standard 5-point scale, tailored to the theme.

The findings from the Likert scale analysis have been shown through visualizations in their respective sections given below:

B.6.1. Satisfaction with Loan Services

The responses on the questions in the Likert scale for this category have been tabled and the observations are given below.

Table B6.1: Likert responses on questions relation to Satisfaction with Loan Services

Statement	Number of respondents for each rating					% of Beneficiaries per response				
	1	2	3	4	5	1	2	3	4	5
Satisfaction of the loan scheme availed	-	1	-	9	4	-	7.1%	-	64.3%	28.6%
Assistance and guidance provided by agency	1	1	1	9	2	7.1%	7.1%	7.1%	64.3%	14.3%

Statement	Number of respondents for each rating					% of Beneficiaries per response				
	1	2	3	4	5	1	2	3	4	5
Time taken for loan approval	-	1	1	9	3	-	7.1%	7.1%	64.3%	21.4%
Interest rates	-	1	-	12	1	-	7.1%	-	85.7%	7.1%
Fund disbursement process	-	1	1	11	1	-	7.1%	7.1%	78.6%	7.1%
Amount of loan disbursed	2	1	3	7	1	14.3%	7.1%	21.4%	50.0%	7.1%
Loan repayment terms	-	2	-	11	1	-	14.3%	-	78.6%	7.1%
Transparency of loan terms	1	1	-	11	1	7.1%	7.1%	-	78.6%	7.1%
Employee behavior during the lending process	-	2	-	11	1	-	14.3%	-	78.6%	7.1%
Guarantee requirements	-	1	2	10	1	-	7.1%	14.3%	71.4%	7.1%

*1= highly dissatisfied, 2= Dissatisfied, 3= Neutral, 4= Satisfied, 5= Highly satisfied

The analysis of satisfaction levels among beneficiaries regarding the NBCFDC loan scheme and related services in Bihar, based on a 5-point scale (1=highly dissatisfied to 5=highly satisfied), reveals generally high satisfaction with several aspects but also highlights some areas for improvement.

B.6.2. Analysis of Beneficiary Satisfaction with Loan Services

a. Satisfaction of the loan scheme availed

- A majority (**64.3%**) of respondents reported being *satisfied*, while **28.6%** were *highly satisfied*.
- Only **7.1%** expressed dissatisfaction. Overall, beneficiaries show a high level of satisfaction with the loan scheme.

b. Assistance and guidance provided by agency

- The largest share (**64.3%**) were *satisfied*, with **14.3%** *highly satisfied*.
- About **21.3%** showed lower ratings (highly dissatisfied/dissatisfied/neutral). Guidance is generally seen as effective, but a small group feels support could be stronger.

c. Time taken for loan approval

- **64.3%** were *satisfied* and **21.4%** *highly satisfied*.
- Only **14.2%** rated it low (dissatisfied/neutral). The approval process is positively viewed, though some delays are perceived.

d. Interest rates

- A significant majority (85.7%) were satisfied, while 7.1% were highly satisfied.
- Only 7.1% were dissatisfied. Beneficiaries largely consider the interest rates fair and affordable.

e. Fund disbursement process

- 78.6% were *satisfied* and 7.1% *highly satisfied*.
- A combined 14.2% rated it neutral or dissatisfied. Disbursement is generally efficient, though some scope for improvement exists regarding the time period taken for disbursement.

f. Amount of loan disbursed

- Half (50%) were *satisfied*, while 21.4% remained neutral.
- 14.3% were highly dissatisfied, indicating concerns about adequacy of loan amounts. While many are content, adequacy of disbursed amounts is a key improvement area.

g. Loan repayment terms

- 78.6% satisfied and 7.1% highly satisfied.
- 14.3% dissatisfied. Repayment terms are viewed positively, though a small group faces challenges.

h. Transparency of loan terms

- 78.6% were satisfied, with 7.1% highly satisfied.
- 14.2% dissatisfied/neutral. Transparency is generally strong, but consistency in communication could improve.

i. Employee behavior during lending process

- 78.6% satisfied, 7.1% highly satisfied.
- 14.3% dissatisfied.
- Employee interactions are perceived positively, though a minority noted issues.

j. Guarantee requirements

- 71.4% satisfied and 7.1% highly satisfied.
- 21.4% expressed concerns (neutral/dissatisfied).
- Guarantee terms are acceptable to most, but some beneficiaries find them restrictive.

Overall, the analysis shows high satisfaction across most parameters, with beneficiaries especially appreciating interest rates, approval process, and employee behavior. The main concerns lie with the amount of loan disbursed and guarantee requirements, where some dissatisfaction persists.

B.6.3. Socio-Economic Standard of Living

The responses on the questions in the Likert scale for this category have been tabled and the observations are given below.

Table B6.3: Likert responses on questions relating to Socio-Economic

Standard of Living

Statement	Number of Responses according to scale					% of Beneficiaries per response				
	1	2	3	4	5	1	2	3	4	5
Food and nutritional standards	2	3	1	8	-	14.3%	21.4%	7.1%	57.1%	-
Clothing standards	1	4	1	8	-	7.1%	28.6%	7.1%	57.1%	-
Asset ownership	-	3	7	4	-	-	21.4%	50.0%	28.6%	-
Household savings	3	5	-	6	-	21.4%	35.7%	-	42.9%	-
Overall living standards	2	5	-	7	-	14.3%	35.7%	-	50.0%	-
Ability to repay debts	-	4	-	10	-	-	28.6%	-	71.4%	-

* *Significant Decrease=1, Moderate Decrease=2, No Change=3, Moderate Increase=4, Significant Increase=5*

The data reveals a mixed but overall positive picture of beneficiaries' socioeconomic standard of living.

- **Food and Nutritional Standards:** While 57.1% of respondents are satisfied, a significant 35.7% (dissatisfied or highly dissatisfied) highlight ongoing challenges in accessing adequate and nutritious food.
- **Clothing Standards:** Similarly, 57.1% expressed satisfaction, though 35.7% remain dissatisfied, suggesting only moderate improvements in this basic need.
- **Asset Ownership:** Half of the beneficiaries (50%) reported a neutral stance, while 28.6% are satisfied and 21.4% dissatisfied, indicating limited but growing asset accumulation.
- **Household Savings:** Responses show a divide, with 42.9% satisfied and 35.7% dissatisfied. This suggests that while some households have managed to build financial reserves, many still face constraints in generating surplus income for savings.
- **Overall Living Standards:** Half of the respondents (50%) rated themselves as satisfied, but 50% expressed dissatisfaction, reflecting uneven improvements in quality of life across households.
- **Ability to Repay Debts:** A positive finding is that 71.4% expressed satisfaction with their capacity to repay, showing confidence in managing financial obligations despite challenges in other domains.

Overall, the data suggests that while beneficiaries have experienced some socio-economic improvements, particularly in debt repayment and to some extent in food, clothing, and living standards, challenges persist in savings accumulation and asset ownership. This points toward a need for targeted interventions that promote financial literacy, income diversification, and sustainable livelihood opportunities.

B.7. Non-Beneficiaries Analysis

In the State of Bihar, a total of 14 non-beneficiaries were surveyed to understand their socio-economic conditions in comparison to the beneficiaries of the NBCFDC loans

B.7.1. Socio-Economic Status of Non-Beneficiaries:

The descriptive analysis of non-beneficiaries in Bihar, based on sociodemographic data, provides insight into the composition and characteristics of this group.

The average age of non-beneficiaries is 34.85 years, with the largest proportion (35.72%) falling within the 35- 39 age group, followed by 21.42% in the 20-24 age group and 14.28% each in the 30-34 and 50+ age groups.

71.42% of the non-beneficiaries were males, while females represent 28.58%. Marital status data shows that a significant majority, 85.72%, are married, while only 14.28% are single; there are no divorced or widowed individuals in this sample.

The type of family is evenly split, with 50% living in joint families and 50% in nuclear families, indicating no clear preference for either family structure among non- beneficiaries. 85.72% of non-beneficiaries have five or more dependents, while 7.14% each have three or four dependents, suggesting a high family burden for most individuals in this group. The absence of respondents with zero, one, or two dependents further highlights the prevalence of larger family sizes. These demographic patterns suggest that non-beneficiaries are predominantly middle-aged, male, married, and responsible for large families, which may influence their socio-economic challenges and access to benefits. The balanced split between joint and nuclear families could reflect changing family dynamics in the region.

Overall, the data points to a group with significant familial responsibilities, potentially impacting their economic stability and decision-making.

Most non-beneficiaries in Bihar (78.58%) live in rural areas, with the rest (21.42%) in semi-urban regions and none in urban or metropolitan zones. The vast majority (92.86%) owns their houses, and only 7.14% live in rented accommodation.

Nearly all (92.86%) reside in houses with concrete roofs, while 7.14% live under sheet roofs, with no huts or tile roofed houses reported. All surveyed households have access to both electricity and piped water.

Educational attainment varies among the non-beneficiaries, while 14.28% have no formal education, 28.58% have completed primary, 35.72% secondary, and 21.42% are graduates or higher.



Employment data shows no one is in salaried jobs; 57.14% are self-employed, 35.72% are unemployed, and 7.14% are students. Economically, 71.42% fall below the poverty line (BPL), with 28.58% above it. Agriculture is the primary income source for 42.86%, followed by business (35.72%) and salaried jobs (21.42%), with no daily wage labourers.

The average annual household income has risen from Rs 2,21,243 (2020–2023) to Rs 2,56,429 currently.

Regarding healthcare, 57.14% have easy access, while 42.86% find it difficult; none are completely deprived. Most households (64.28%) use normal savings accounts, while 35.72% rely on Jan Dhan Yojana accounts, with no other banking options reported.

This data reflects a community with basic amenities and some economic progress, but persistent challenges in employment, education, and healthcare accessibility.

B.7.2. Awareness of the NBCFDC loan scheme among non-beneficiaries:

There is limited direct data on non-beneficiaries' awareness of the NBCFDC (National Backward Classes Finance and Development Corporation) loan scheme from the available sources.

Among non-beneficiaries in Bihar, 64.28% are aware of the NBCFDC loan scheme, while 35.72% are not. Of those aware, the most commonly availed schemes are the Microfinance and Small Loan schemes (each at 21.42%), followed by the General Loan (14.28%), Mahila Samridhi (14.28%), Education Loan (7.14%), and New Swarnima (7.14%) schemes, with some availing other unspecified schemes (14.28%). The primary area where assistance is needed is small business (57.15%), with agriculture and allied activities next (21.43%), followed by the service sector (14.28%) and transport (7.14%).



Lack of awareness and lack of group formation are the most cited barriers to accessing education or business loans (each at 35.71%), while 28.58% mention collateral requirements; gender bias is not reported as a barrier. All respondents (100%) expressed intent to apply for a loan in the future. Regarding willingness to join a Self-Help Group (SHG) if required, 64.28% are open to it, while 35.72% are not. This data highlights moderate awareness of NBCFDC schemes, significant interest in future loans, and a preference for small business support, but also underscores persistent barriers related to information, collateral, and group formation.

B.7.3. Type of barriers to get loan among the non-beneficiaries:

The barriers to accessing the NBCFDC loan scheme among non-beneficiaries are significant issues. The multiple barriers—such as bureaucratic hurdles, low financial literacy, limited geographical reach, and insufficient publicity—prevent many eligible nonbeneficiaries from

accessing NBCFDC loan schemes. The data describe the perceived barriers to obtaining loans among non-beneficiaries, as reported by 65 respondents. The barriers are rated on a scale from 1 (not at all) to 5 (very much), with each percentage indicating the proportion of respondents who selected each level of agreement.

A significant proportion of non-beneficiaries in Bihar perceive complicated application procedures as a major barrier to obtaining loans, with 57.14% rating it as —not at all a barrier, but 14.29% considering it a very significant issue.

The need for collateral is a prominent obstacle, as 28.56% rate it as a very strong barrier and another 14.29% as much of a barrier, reflecting widespread difficulty in meeting collateral requirements. Lack of digital literacy also affects access, with half of respondents stating it is not a barrier, but 14.29% rating it as very significant and 35.71% as slightly problematic.

The absence of guidance or help is a concern for many, with 21.43% seeing it as a very significant barrier and 42.86% as only slightly so, indicating a gap in support systems. Gender-based discrimination is not universally felt, but 14.29% rate it as a very strong barrier and 28.57% as slightly significant, suggesting persistent but not dominant issues. These findings are echoed by external reports, which highlight that bureaucratic hurdles, lack of awareness, and inconsistent application of scheme guidelines contribute to exclusion, particularly for marginalized groups. The complexity of documentation and the need for collateral often discourage applicants, while digital illiteracy and insufficient guidance further reduce access to formal credit. Additionally, discriminatory practices and lack of targeted outreach compound the challenges, especially for Scheduled Caste and backward-class applicants in

Bihar. Overall, the data underscores that a combination of procedural, informational, social, and institutional barriers continue to impede equitable loan access for non-beneficiaries in the state.

Success Story



1. Mr. Vipin Bihari Prasad Arwal, Motipur Branch, Bihar

1.	Name of SCA	Union Bank of India, Motipur Branch
2.	Name of Scheme	Small Loan Scheme
3.	Name of Beneficiary	Mr. Vipin Bihari Prasad
4.	Complete Address	Arwal District, Motipur Branch, Bihar
5.	Project Details	Loan was given under Small Loan Scheme for agriculture and allied activities
6.	Loan Amount	Rs 1.60 Lakh
7.	Loan Disbursed	Rs 1.44 Lakh
8.	Date of Disbursement	Dec. 2021
9.	Income before & after taking Loan	Rs 20,000 per month & Rs 42,500 per month

Mr. Vipin Bihari Prasad, a 50-year-old resident of Bihta in Patna district, relied mainly on agriculture for his livelihood. However, low crop production and a large family made it difficult for him to manage his household expenses. Looking for a more stable source of income, he learnt about the NBCFDC scheme and visited the bank to apply for support. Though he had requested a loan of amount of Rs 1.44 lakh.

Using the loan, Mr. Prasad purchased two cows and started a small animal husbandry activity. With consistent effort from him and his son, the dairy business gradually expanded, leading to a steady improvement in their financial condition. Today, he earns around Rs 42,000 per month, a significant increase from his earlier income. The loan has helped him build a more secure and sustainable livelihood, bringing much-needed stability to his family.



State Report

Chandigarh



State Report- Chandigarh

CH. 1 Sample Population

The sample population consisted of beneficiaries who had availed loans under NBCFDC-supported schemes during the period 2020–2023. A total of 11 beneficiaries and 11 non-beneficiaries were selected for the Union Territory of Chandigarh as per the sampling framework outlined by NBCFDC in its ToR.

These respondents were drawn through random sampling from the list of sanctioned beneficiaries provided by the State Channelising Agency (SCA) — Union Bank of India. The random selection process helped eliminate bias and ensured that beneficiaries from varied socio-economic and geographical backgrounds were represented.

The selected beneficiaries and non-beneficiaries were located in the Union Territory of Chandigarh.

Interviews were conducted using a structured, close-ended questionnaire, administered through the Kobo Toolbox digital platform. The Kobo tool enabled efficient and accurate data collection, including geo-tagging and capturing photographic evidence, thereby enhancing the transparency and authenticity of the process.

CH.2 Sample Design and District Selection

The Union Territory of Chandigarh was chosen based on the sampling plan mutually agreed upon by NBCFDC and the evaluating agency. The State Channelising Agency Union Bank of India facilitated the selection of districts and beneficiaries in alignment with operational logistics and program reach. Districts were selected based on willingness of the SCA to participate, the concentration of NBCFDC loan beneficiaries, and logistical feasibility for conducting field surveys.

CH.3 Sources of Data

This evaluation relied on primary as well as secondary data sources to ensure a thorough analysis of the schemes:

a) Primary Data:

- Collected directly from beneficiaries using a structured questionnaire.
- Focused on aspects such as loan accessibility, utilization patterns, training received (if any), repayment behavior, satisfaction levels, and overall feedback.
- Kobo Toolbox was used for data collection, enabling real-time data entry, geo-location tracking, and image capture for verification.

b) Secondary Data:

- Sourced from official records provided by the SCA, including the list of sanctioned beneficiaries, loan disbursement and recovery records, and any documentation related to scheme implementation.
- Annual reports, audit summaries, and web-based content of NBCFDC and the SCA were also referred to for triangulation of findings.

Additionally, parameters such as loan utilization ratio, repayment trends, default rates, and monitoring mechanisms adopted by SCAs were examined through both survey responses and official records.

CH.4 Socio-Economic Status of Beneficiaries:

The socio-economic profile of the 11 NBCFDC loan beneficiaries reveals a diverse yet demographically consistent group, mostly composed of individuals in their economically active years. This indicates that the scheme has predominantly benefited younger to middle-aged individuals who are likely engaged in productive livelihoods. The average age of the group appears to be in the mid- to-late 30s.

In terms of gender distribution, 56% of the beneficiaries are male while 44% are female, reflecting a fairly balanced gender representation. This suggests that the scheme has achieved a reasonable level of gender inclusion, although there is still room to increase female participation, especially in rural and underserved areas.

Marital status data shows that a large majority (81%) of beneficiaries are married, with only 19% being single. This points to a population that is not only economically active but also bearing family responsibilities, making them apt candidates for credit support that enhances livelihood security.

The beneficiaries are nearly evenly split between joint (56%) and nuclear families (44%), indicating that both traditional and modern family setups have been reached by the scheme. The number of dependents per family is relatively high, with 27% of the beneficiaries reporting three dependents, another 27% having four, and the largest proportion—37%—having five or more dependents. Only 9% of the respondents have fewer than three dependents. This considerable family burden highlights the importance of financial assistance to ensure household stability and sustenance, particularly in low- income segments.

Overall, the socio-economic analysis of the 11 beneficiaries suggests that the NBCFDC loan schemes have reached individuals who are both demographically suitable and socio-economically in need. These beneficiaries are primarily in the productive phase of life, managing multiple dependents, and embedded in varied family structures. The gender balance, age distribution, and high dependency levels all reinforce the importance of continued and expanded access to affordable credit mechanisms for such populations.



CH.5 Socio-Economic Status of Beneficiaries:

Based on the socio-economic data of 11 beneficiaries from Chandigarh as outlined in the document Table 2, the analysis reveals a relatively urbanized and moderately stable demographic with a strong dependence on self-generated income and government-supported services.

All 11 beneficiaries currently reside in urban areas, reflecting a 100% urban habitation rate. This suggests that the NBCFDC scheme's reach in Chandigarh is concentrated within the urban locality, with no representation from rural, semi-urban, or metropolitan peripheries. A majority of the beneficiaries (72%) reside in their own houses, while 28% live in rented accommodations. The fact that a large proportion owns their houses could point towards a

degree of residential stability and asset possession, although further detail on the quality of these houses would be required to assess economic status more accurately.

The nature of housing across all 11 cases is concrete, indicating 100% of the households live in structurally sound dwellings. Additionally, all respondents report access to basic household amenities including electricity, piped water, sanitation, and internet, denoting a 100% penetration of essential services. This level of infrastructural access further reinforces the urban character and relative infrastructural adequacy of the surveyed group.

In terms of education, a wide spectrum is observed. While 18% have no formal education, the majority have completed either primary (45%) or secondary education (28%), and only a small proportion (9%) hold graduate-level degrees. This indicates a mid-level educational profile, which could limit opportunities for formal employment, especially in more skilled sectors.

All 11 beneficiaries are currently employed, which reflects a 100% employment rate among them. However, the nature of employment—whether salaried or self-employed—is not clearly demarcated in the dataset. Still, the data suggests that 82% of them are the primary income earners in their households, underlining the financial responsibility they carry. The remaining 18% report their father as the main income contributor.

All households reported business as the primary source of income, with agriculture, daily wage labor, and salaried jobs not being mentioned. This uniformity suggests a high level of entrepreneurial engagement or small-scale self-employment. The average monthly household income stands at

₹28,500, while the average expenditure is ₹27,000—indicating a narrow margin of surplus that leaves limited room for savings or unexpected financial shocks.

Regarding health coverage, all 11 beneficiaries rely solely on government health schemes (notably through government-issued health cards), suggesting a complete dependence on public healthcare. No respondent reported using private or other health insurance options like Ayushman Bharat or Swastha Sathi.

Banking inclusion is total, with 100% of the beneficiaries having access to regular savings accounts. Notably, none of the respondents reported using Savings Bank accounts, which might imply a marginally higher level of financial literacy or a preference for conventional banking mechanisms over government-promoted zero-balance schemes.

The socio-economic profile of the 11 Chandigarh-based NBCFDC loan beneficiaries portrays a largely urban, residentially secure, and infrastructural supported population, engaged in self-employment or business. Despite having access to basic amenities and stable housing, the group exhibits limited educational advancement and financial buffers, and remains heavily dependent on government support for healthcare and financing. This analysis suggests potential for targeted interventions in skill development, access to formal employment, and financial planning support to enhance long-term socio-economic mobility.

Table CH.5: Some socio-economic information of beneficiaries in Chandigarh

Socio-economic indicators	No. of beneficiaries	Percentage
Place of current residence	-	-
Rural areas	-	-
Semi-urban areas	11	100%
Urban area	-	-
Metropolitan city	-	-
Type of residence		
Own house	8	72%
Rental house	3	28%
Nature of house occupied		
Hut	-	100%
Concrete roof	11	
Sheet roof	-	
Tile roof	-	
Type of amenities available in the house		
Electricity	11	100%
Piped water	11	100%
Sanitation	11	100%
Internet	11	100%
Neither of all	-	
Highest level of education		
No formal education	2	18%
Primary	5	45%
Secondary	3	28%
Graduate or higher	1	9%
Post Graduate		
Others		
Current employment status		
Employed (salaried)	-	-
Self-employed	11	100%
Unemployed	-	-
Student		
Main income earner in the household		
Father	2	18%
Mother	-	-
Brother	-	
Sister	-	82%
Other (Self)	9	
Primary source of income		
Agriculture	-	
Business	11	100%
Salaried job	-	
Daily wage labor		
Average monthly household income (in Rs.)	28500	

Socio-economic indicators	No. of beneficiaries	Percentage
Average monthly household expenditure (in Rs.)	27000	
Source of health care services		
Govt. cards		
Ayushman	11	100%
Swastha Sathi	-	-
Others	-	-
Type of Bank Account		
Jan Dhan Yojana		
Normal Savings Bank Account	-	-
Others	11	100%
	-	-



CH.6 NBCFDC Scheme-Related Information:

The "Scheme-Related Information" refers to the comprehensive set of details and documentation associated with a scheme. Some scheme-related information was obtained from beneficiaries of these systems. Such information was collected to raise awareness of the NBCFDC loan program, including the source of information, mode of loan application, and so on. The results are shown in Table below.

Table CH.6.1

Type of activity for which assistance was availed		-
Agriculture and allied	3	27%
Small business	8	73%
Transport sector	-	-
Service sector		-
Other		

As shown in the table above, 100% of the loans in Chandigarh were disbursed under the General Loan Category. Among these, 3 loans were extended under the Agriculture and Allied category, while 8 loans were disbursed under the Small Business category.

Table CH6.2: Awareness of NBCFDC loan scheme among beneficiaries in Chandigarh

Awareness of NBCFDC loan scheme	No. of beneficiaries	Percentage
Source of information about the NBCFDC scheme		
Print media (newspaper, pamphlets)	5	46%
Social media (Facebook, WhatsApp etc.)	-	
Government offices/banks	-	
Awareness camp		
Word of mouth (friends, family, community)	6	54%
Type of NBCFDC loan scheme availed		
General loan scheme	11	100%
New Swamima scheme	-	-
Education loan	-	-
Microfinance scheme		
Mahila Samriddhi scheme		
Small loan		
NBFC-MFL loan		
Type of activity for which assistance was availed		
Agriculture and allied	3	27%
Small business	8	73%
Transport sector	-	-
Service sector		
Other		
Mode of loan application		
Online	-	-
Offline	11	100%
Loan application (month & year)		
2019-2020	0	
2020-2021	7	63%
2021-2022	4	37%
2022-2023		
Loan disbursement (month & year)		
2019-2020	0	0
2020-2021	7	63%
2021-2022	4	37%
2022-2023		
Average amount applied (in Rs.)	25000	
Average amount received (in Rs.)	24500	
Whether any collateral/ security required		
Yes	10	91%
No	1	9%



CH. 7 Awareness of Beneficiary

The analysis of data on the awareness of NBCFDC loan schemes among selected beneficiaries highlights several key insights. Out of the total respondents, 54% became aware of the NBCFDC schemes through social media platforms such as Facebook and WhatsApp, while 46% reported exposure via print media, including newspapers and pamphlets. Interestingly, traditional government channels like offices or banks, awareness camps, or word-of-mouth do not appear as primary sources, suggesting a digital shift in information dissemination.

CH 7.1 Mode of Application

All loan applications in this sample were made offline, indicating a complete absence of digital application adoption, possibly due to limited digital literacy, access issues, or procedural preferences of the SCA or applicants. The distribution of loan applications over time shows that 63% were submitted during 2021–2022, and 37% in 2022–2023, with no applications recorded in the earlier periods (2019–2021). This pattern mirrors the loan disbursement timelines, indicating a strong alignment between application and disbursal phases, possibly due to process efficiency or streamlined approval mechanisms.

CH 7.2 Disbursement of Loan

In terms of the financial aspect, the average amount applied for was ₹25,000, and the average disbursed amount was ₹24,500, showing a minimal discrepancy of ₹500, which suggests that the sanctioned amounts were closely aligned with the requested figures—indicative of realistic demand estimation by applicants and responsive funding by the implementing agency.

Finally, when asked about collateral or security requirements, 91% of the respondents reported that no collateral was required, with only 9% indicating otherwise. This overwhelmingly non-

collateralized lending suggests that NBCFDC’s schemes are perceived as accessible and borrower-friendly, in line with their objective of supporting economically weaker sections without adding financial burden or procedural complexity.

CH 7.3 Loan Utilization and Business Impact

The analysis of data in Table below on the awareness and utilization of NBCFDC loan schemes among selected beneficiaries highlights several key insights. Out of the total respondents, 54% became aware of the NBCFDC schemes through social media platforms such as Facebook and WhatsApp, while 46% reported exposure via print media, including newspapers and pamphlets. Interestingly, traditional government channels like offices or banks, awareness camps, or word-of-mouth do not appear as primary sources, suggesting a digital shift in information dissemination.

In terms of scheme utilization, 100% of the respondents had availed of loans under the general NBCFDC loan scheme, indicating a concentrated uptake of this particular scheme, while other offerings such as the New Swarnima Scheme, Education Loan, Microfinance, Mahila Samridhi Scheme, Small Loans, or NBFC-MFL Loans did not feature in this sample. This may suggest either a lack of awareness or limited access to alternative schemes within the respondent group.

Regarding the purpose for which the financial assistance was used, a majority of 73% beneficiaries utilized it for setting up or expanding small businesses, while the remaining 27% engaged in agriculture and allied activities. No respondents reported availing loans for activities in the transport or service sectors, which may indicate sectoral limitations in scheme outreach or beneficiary preferences in the region studied.

Table CH 7.3.: Utilization of NBCFDC loan scheme and its impact among beneficiaries in Chandigarh

Utilization of NBCFDC loan scheme and its impact	No. of beneficiaries	Percentage
Whether utilized the loan		
Yes	11	100%
No	-	-
Creation of Assets		
Purchase of raw materials	8	72%
Purchase of tools/machinery	3	28%
Whether significant purchases made towards electronic items or vehicles by the loan	-	
Yes	8	- 72%
No	3g	28%
Whether any family member had any other personal insurance or took security cover under the scheme		
Yes	-	
No	11	100%
Average profit earned after taking the loan	Rs. 4000	
Whether employment opportunity given with the help of loan		
Yes	8	72%

Utilization of NBCFDC loan scheme and its impact	No. of beneficiaries	Percentage
No	3	28%
Whether any new investment post- loan in business was made		
Yes	-	-
No	8	100%

CH.8 Repayment and Financial behavior:

The analysis of repayment and financial behavior of the beneficiaries in Table below under NBCFDC's loan schemes in Chandigarh presents a highly positive picture of financial responsibility and satisfaction among the respondents. All 11 beneficiaries (100%) reported that they save money regularly, indicating a strong sense of financial discipline and planning, which is crucial for timely loan repayment and long-term sustainability of income-generating activities.

In terms of repayment behavior, 81% of the beneficiaries were found to be repaying their loans regularly, while the remaining 19% reported irregular repayment, with no cases of complete default observed. This reflects a generally healthy repayment culture among the beneficiaries. Further, all respondents (100%) stated that they understood how interest on their loan was calculated, showing a commendable level of financial literacy and awareness about loan mechanisms.

When asked about the number of installments pending, 100% of the beneficiaries had more than three installments left, suggesting that most loans were still in the repayment phase and were likely sanctioned in recent years. On average, the outstanding loan amount was ₹19,400, which indicates a moderate debt level relative to the average loan amount sanctioned, and suggests an ongoing, but manageable, repayment burden.

All respondents unanimously considered the interest rate to be fair and affordable, which aligns well with the objective of NBCFDC to make concessional loans accessible to weaker sections. Importantly, 100% of the beneficiaries expressed interest in availing another loan for business expansion or further investment, signaling confidence in the scheme and optimism about their economic activities.

With respect to institutional support, 81% reported attending repayment-related counseling sessions conducted by the State Channelising Agency (SCA) or the bank, while 19% had not attended such sessions. The wide coverage of financial counseling is a positive indicator of the proactive role played by the implementing agencies in encouraging repayment compliance and financial awareness.

Another noteworthy finding is that all beneficiaries (100%) confirmed that the loan structure had been clearly explained to them by the bank, ensuring transparency and clarity in communication. Furthermore, none of the respondents reported the involvement of any third party or agent in loan facilitation, and no instances of unauthorized or additional fees being charged were reported, reflecting a clean and formalized loan disbursement process.

Lastly, 100% of the beneficiaries expressed satisfaction with the customer service provided by the lending bank, highlighting effective communication, transparency, and responsiveness in service delivery. This level of satisfaction is significant, as it influences trust in institutional lending and increases the likelihood of re-engagement with formal credit systems in the future.

Table CH8: Repayment and financial behavior among beneficiaries in Chandigarh

Repayment and financial behavior	No. of beneficiaries	Percentage
Whether save money regularly		
Yes	11	100%
No	-	-
Status of repayment		
Regular	09	81%
Irregular	02	19%
Defaulted	-	-
Whether understand interest calculation on loan		
Yes	11	100%
No		
How many installments are left?		
0	-	-
1	-	-
2	-	-
3+	11	100%
Average amount of loan still unpaid (in Rs.)	Rs. 19,400	-
Whether interest rate is fair and affordable		
Yes	11	100%
No	-	-
Whether trying for another loan for business expansion or investment		
Yes	11	100%
No	-	-
Whether attended any repayment related counselling by SCA/Bank		
Yes	9	81%
No	2	19%
Whether Bank explain the loan structure clearly		
Yes	11	100%
No		
Whether any third party or agent involved in facilitating the loan		
Yes	-	-
No	11	100%
Whether any additional/unauthorized fee has been charged for loan approval		
Yes	-	-
No	11	100%
Whether satisfied with the customer service of the lending bank		
Yes	11	100%
No	-	-



CH.9 Satisfaction Level with SCAs & Banks:

The satisfaction levels of the beneficiaries with different facets of the NBCFDC lending process reflect a generally positive experience, though some areas show room for improvement. Regarding the loan scheme itself, 7 out of 11 beneficiaries rated their satisfaction as 4 on a 5-point scale, while 3 rated it at the highest level (5) and 1 gave it a moderate score of 3, indicating that most beneficiaries were largely content with the design and benefits of the scheme.

The most notable outcome is in terms of assistance and guidance provided by the implementing agency, where all 11 beneficiaries gave a perfect satisfaction rating of 5. This underscores the effectiveness of the support system offered by the SCA/bank staff in helping beneficiaries navigate the scheme application and implementation process.

For the time taken for loan approval, 8 beneficiaries rated it as 4, 2 gave it a 5, and 1 respondent rated it as 3, suggesting that while the approval process was generally timely and efficient, there might still be some isolated instances of delay.

Regarding interest rates, 10 respondents rated their satisfaction level as 4, and 1 gave a full score of 5, demonstrating widespread approval of the affordability of the interest charged under the scheme. Similarly, the fund disbursement process was highly appreciated, with 9 beneficiaries rating it as 4, and 2 rating it as 5, suggesting a smooth and hassle-free disbursement experience.

When it came to the amount of loan disbursed, 9 beneficiaries were satisfied at level 4, 1 was fully satisfied (rated 5), and 1 showed moderate satisfaction (rated 3). This indicates that while most received what they expected or found the amount adequate, a small proportion might have felt the need for a higher disbursement.

The loan repayment terms received somewhat more mixed responses. While 9 respondents rated them at 4, 2 rated their satisfaction at 3, possibly indicating some concerns over repayment schedules or EMI amounts. Similarly, for transparency of loan terms, 8 beneficiaries gave a satisfaction score of 4, 2 rated it as 5, and 1 as 3, which suggests that while most found the loan

terms clear, a few beneficiaries might have found certain aspects less transparent or inadequately explained.

A particularly encouraging finding was that all 11 respondents gave the highest score of 5 to employee behavior during the lending process, which is a testament to the professionalism, courtesy, and supportive attitude of the staff involved in loan processing.

However, the lowest satisfaction levels were observed in relation to guarantee or collateral requirements. Here, 9 beneficiaries rated their satisfaction at just 2, and 2 rated it at 3, indicating discomfort or dissatisfaction with the collateral-related conditions. This may point to a need for reassessment of guarantee norms or better communication regarding these requirements.

In conclusion, while the overall beneficiary satisfaction with the NBCFDC lending scheme and service delivery mechanisms is high, specific aspects like collateral requirements and loan repayment terms could benefit from targeted improvements. The consistently positive ratings in areas such as staff behavior, support from the agency, and fund disbursement reflect well on the operational aspects of the scheme, strengthening trust and encouraging future participation among the target communities.

Table CH.9: Satisfaction level with the SCAs and Bank among beneficiaries in Chandigarh

Statement	Satisfaction* level with the SCAs and Bank (percentage of beneficiaries)					No. of Beneficiaries
	5	4	3	2	1	
Satisfaction of the loan scheme availed	3	7	1	-	-	11
Assistance and guidance provided by agency	-	11		-	-	11
Time taken for loan approval	2	8	1	-	-	11
Interest rates	1	10		-	-	11
Fund disbursement process	2	9				11
Amount of loan disbursed	1	9	1			11
Loan repayment terms	-	9	2			11
Transparency of loan terms	2	8	1			11
Employee behaviour during lending process	11					11
Guarantee requirements	-	-	2	9		11

*1= highly dissatisfied, 2= Dissatisfied, 3= Neutral, 4= Satisfied, 5= Highly satisfied.

CH.10 Analysis of Satisfaction Data and Association Considerations:

The data presented in Table 7 offers a quantitative review of beneficiary satisfaction with various components of the NBCFDC loan scheme. On a scale of 1 to 5, where higher values indicate greater satisfaction, the overall satisfaction with the loan scheme stands at a moderately high 3.83, suggesting that beneficiaries generally view the scheme favourably.

Time-related aspects of the scheme are rated particularly well, with the time taken for loan approval receiving a strong score of 4.10, and the fund disbursement process closely following at 4.02. These scores reflect efficiency and minimal procedural delays in the scheme’s implementation, with loans typically being approved within two months of the application being filed.

Beneficiaries expressed the highest satisfaction with interest rates (4.30) and employee behaviour during the lending process (4.42), indicating that financial terms were perceived as affordable and that interpersonal experiences during the loan process were positive and professional.

On the other hand, some areas showed room for improvement. Assistance and guidance provided by the agency was rated a relatively modest 3.44, and loan repayment terms received 3.60, reflecting a moderate level of satisfaction that may point to the need for better support or clearer communication.

A key area of concern is guarantee requirements, which received the lowest rating of 2.89, indicating significant dissatisfaction. This suggests that collateral or guarantor-related conditions might be perceived as restrictive or burdensome for beneficiaries, potentially deterring access or adding stress to the loan availing process.

Lastly, transparency of loan terms was rated 3.92, indicating a generally satisfactory level of clarity, though with scope for enhanced communication or simplification of terms.

In conclusion, while the NBCFDC loan scheme is generally well-received—especially in terms of timely disbursement, affordability, and employee conduct—certain areas such as guarantee conditions and guidance support would benefit from targeted improvements to enhance overall beneficiary experience

Table CH10: Average satisfaction scores with SCAs & Banks in Chandigarh

Variable	Average Satisfaction
Satisfaction of the loan scheme availed	3.83
Assistance and guidance provided by agency	3.44
loan approval	4.10
Interest rates	4.30
Fund disbursement process	4.02
Amount of loan disbursed	3.83
Loan repayment terms	3.60
Transparency of loan terms	3.92
Employee behaviour during lending process	4.42
Guarantee requirements	2.89

CH.11 Socio and Economic Impact:

The detailed analysis of the data presented in Table below reveals important insights into the social and economic impact of the NBCFDC loan scheme on beneficiaries. The assessment uses a 5-point scale (with 5 being the highest positive impact and 1 being the least) across several key indicators of well-being.

In terms of food and nutritional standards, a majority of beneficiaries reported significant improvement—8 out of 11 beneficiaries rated it as 3, indicating better access to nutritious food, while 2 rated it as 4, showing strong positive outcomes. Only one respondent rated it as 2, and none reported low or no improvement, demonstrating that the scheme has largely helped beneficiaries in meeting basic food needs.

Clothing standards saw unanimous positive feedback, with all 11 beneficiaries rating it as 3, suggesting that while improvements were not considered transformational (i.e., no 5 ratings), the scheme still enabled a consistent enhancement in personal and family clothing conditions across the board.

For asset ownership, the data is more modest—all 11 respondents rated it as 3, reflecting moderate progress. This implies that while beneficiaries may have used part of the loan proceeds for productive assets or household items, the impact was not substantial enough to warrant higher ratings. Similarly, household savings was rated 3 by 9 beneficiaries, and 2 by 2 beneficiaries, indicating that the scheme contributed positively to saving behavior for most respondents, with nearly all experiencing some level of improvement.

Overall living standards were seen to improve for most respondents, with 7 beneficiaries rating this as 3, 2 as 2, and 2 as 1. This reflects a positive shift in quality of life due to the financial support received, though some variation exists in perceived benefits. Importantly, in terms of ability to repay debts, all 11 beneficiaries rated this as 4, which is a strong indicator of financial empowerment and income stability post-loan.

In conclusion, the NBCFDC loan scheme appears to have had a strong positive impact on the lives of beneficiaries, particularly in areas of debt repayment, clothing, food security, and savings. While improvement in asset accumulation was relatively moderate, the overall trends suggest enhanced financial resilience and social well-being for most recipients.

Table CH11: Social and Economic Impact among the beneficiaries in Chandigarh

Social and Economic Impact	Social and Economic Impact* among the beneficiaries (percentage of beneficiaries)					No. of beneficiaries
	5	4	3	2	1	
Food and nutritional Standards		2	8	1		11
Clothing standards			11			11
Asset ownership					11	11
Household savings			9	2		11
Overall living standards			7	2	2	11
Ability to repay debts		11				11

*1= highly dissatisfied, 2= Dissatisfied, 3= Neutral, 4= Satisfied, 5= Highly satisfied.



CH.12 Socio-Economic Status of Non-Beneficiaries:

For the purpose of non-beneficiary analysis, a sample size of 11 was taken. The data provided in the table below offers a detailed socio-economic profile of non-beneficiaries under the NBCFDC loan scheme, shedding light on the demographic and household characteristics of those who have not availed of the benefits. The age distribution shows that the majority of non-beneficiaries fall within the economically active segment, with 46% in the 30–34 age group, followed by 27% in the 25–29 age group, and 18% in the 35–39 bracket. Only a small proportion, 9%, belong to the 20–24 age range. The average age of non-beneficiaries is 28.63 years, indicating that the majority are in their early to mid-career stages— an age group typically seeking financial independence or entrepreneurial opportunities.

In terms of gender distribution, the data shows a marked skew towards female respondents, with 81% being women and only 19% male. This suggests a significant interest or potential demand among women for access to financial support schemes, which could be a focus area for future outreach efforts. Regarding marital status, 81% of the non-beneficiaries are married, and only 9% are single, indicating that most belong to family units that may have greater financial responsibilities or dependence.

The type of family structure further supports this observation, with 81% of respondents living in joint families and only 19% in nuclear families. This suggests a collective household arrangement where income and resources are typically shared, possibly increasing the financial burden on earning members. Data on family dependents reveals that 55% of non-beneficiaries have two dependents, 18% have three, and another 18% have four, while 9% have five or more. This reinforces the fact that the majority are part of households with multiple dependents,

which may strain available resources and limit opportunities for self-driven economic activity without external financial support.

In summary, the profile of non-beneficiaries captured in this dataset indicates that most are married women in joint families with multiple dependents and fall within the productive age group of 25 to 39 years. This demographic may represent a significant untapped pool of potential beneficiaries who could benefit substantially from targeted awareness and inclusion strategies within the NBCFDC loan scheme. Addressing barriers—whether informational, procedural, or social—could improve outreach to this group and enhance the overall impact of the scheme.

Table CH12: Some socio-demographic information of non-beneficiaries in Chandigarh

Socio-economic indicators	No. of non-beneficiaries	Percentage
Age (in years)	-	-
<14	-	-
15-19	- 1	-
20-24	3	9%
25-29	5	27%
30-34	2	46%
35-39	-	18%
40-45		-
46-49		
50+		
Average age (in years)		28.63
Gender		
Male	2	19%
Female	9	81%
Marital status		
Single	01	9%
Married	10	81%
Divorced	-	-
Widowed	-	-
Type of family		
Joint	9	81%
Nuclear	2	19%
No. of dependents in the family		
0	-	-
1	- 2	-
2	6	18%
3	2	55%
4	1	18%
5+		9%



CH. 13 Socio-Income Status of Non-Beneficiaries

The data provided in Table below presents an in-depth socio-economic profile of non-beneficiaries of the NBCFDC loan scheme, highlighting their living conditions, educational background, income levels, and access to services. All 11 respondents currently reside in rural areas (100%), suggesting that the non-beneficiary sample is geographically concentrated and potentially underserved in terms of scheme outreach. Most live in their own houses (81%), while a smaller segment (19%) resides in rented accommodation. Interestingly, all respondents reported living in concrete-roofed houses (100%), which implies a minimum standard of housing stability and construction quality.

Regarding basic amenities, all respondents have access to electricity, piped water, and electricity-only connections (100%), while 10% have access to clean water only. None reported lacking both utilities, which suggests that while infrastructure is reasonably developed, issues like water quality and consistent supply may still exist.

The education levels of the non-beneficiaries indicate a relatively low academic profile, with 73% having completed secondary education, 18% having pursued graduation or higher, and 9% having only primary education. There were no respondents without formal education, reflecting a basic level of literacy and schooling. In terms of employment, the entire group (100%) is self-employed, and there are no salaried workers, students, or unemployed individuals. This points to a predominantly entrepreneurial or informal labor profile, possibly engaged in agriculture or small-scale activities.

Consistently, all respondents reported agriculture as their primary source of income (100%), underscoring the rural and agrarian nature of their livelihood. Despite this, the community appears economically constrained—85.29% fall under the Below Poverty Line (BPL) category, while 14.71% are slightly above BPL. There are no respondents in the DPL (Designated Poverty Line) or higher-income categories, indicating that this group largely remains economically vulnerable.

The average household income has seen a rise from ₹2,10,000 (2020–2023) to ₹3,10,000, suggesting marginal improvement in earnings, though the absolute figures still reflect financial hardship for rural families. All respondents reported full access to healthcare services, although the ease of access is not specified, which implies that healthcare infrastructure is present but may vary in quality or distance.

Finally, all non-beneficiaries have normal savings bank accounts (100%), and none use Jan Dhan Yojana accounts, indicating a degree of financial literacy and formal banking engagement, albeit outside government-facilitated financial inclusion platforms.

The non-beneficiaries represent a rural, self-employed, and predominantly agricultural demographic, with basic infrastructure in place but low-income levels and limited higher education. Despite having access to health services and formal banking, this group remains economically vulnerable and may require targeted outreach and simplified processes to better benefit from NBCFDC schemes. Their financial and social profiles suggest potential eligibility and strong need, making them ideal candidates for future inclusion efforts.

Table CH.13

Socio-economic indicators	No. of non-beneficiaries	Percentage
Place of current residence		
Rural areas		-
Semi-urban areas	11	100%
Urban area		
Metropolitan city		
Type of residence		
Own house	9	81%
Rental house	2	19%
Nature of house occupied		
Hut		
Concrete roof	11	100%
Sheet roof	-	-
Tile roof	-	-
Type of amenities available in the house		
Electricity	11	100%
Piped water	11	100%
Electricity only	11	100%
Clean water only	1	10%
Neither	-	-
Highest level of education		
No formal education	-	-
Primary	1	9%
Secondary	8	73%
Graduate or higher	2	18%
Current employment status		
Employed (salaried)	-	-
Self-employed	11	100%
Unemployed	- 0	-
Student		

Socio-economic indicators	No. of non-beneficiaries	Percentage
Current economic status		
BPL		85.29
Above BPL	11	14.71
DPL	-	-
Above DPL	-	-
Primary Source of income		
Agriculture		
Business	11	100%
Salaried job	-	-
Daily wage labour		
Average annual household income during 2020 to 2023 (in Rs.)	2,10,000	
Average annual household income now (in Rs.)	3,10,000	
Whether access to health care services	-	- 100%
Yes, easily	11	
Yes, but difficult	-	
No access	-	- -
Not applicable		
Other		
Type of Bank Account		
Jan Dhan Yojana	-	-
Normal Savings Bank Account	11	100%
Others	-	-

CH.14 Awareness of the NBCFDC loan scheme among non-beneficiaries:

The data provided in Table below offers valuable insights into the awareness and loan access dynamics among non-beneficiaries of the NBCFDC loan scheme. A substantial majority—91% of non-beneficiaries—reported being aware of the NBCFDC loan scheme, suggesting that information about the program has penetrated this demographic to a large extent. However, despite high awareness, these individuals have not availed themselves of the scheme, indicating the presence of other deterrents or procedural challenges.

Among those aware, the most commonly known product is the Small Loan scheme, with 82% of respondents citing it. Only a few had knowledge of the Education loan and the Microfinance scheme (9% each), while other schemes like the General Loan, Mahila Samridhi, and Refinance schemes were entirely unknown to this group. This reveals a limited understanding of the variety of loan options available under the NBCFDC umbrella, highlighting a gap in the depth of awareness even among those familiar with the program.

All respondents (100%) expressed a need for assistance specifically for small business activities, indicating a clear economic orientation towards entrepreneurship and self-employment. No one sought loans for agriculture, transport, or the service sector, which aligns with previous data showing that these individuals are self-employed and based in rural settings, possibly seeking to diversify their income beyond agriculture.

A critical barrier identified in the data is lack of awareness, cited by all 11 respondents (100%) as the main reason for not availing the loan. Other potential barriers such as collateral requirements, gender bias, or group formation issues were not reported, reinforcing that informational outreach remains the key bottleneck. The fact that a majority of these individuals are willing to participate in a Self-Help Group (SHG)—with 91% expressing readiness—indicates a strong openness to collective action models if such structures are made accessible and adequately supported.

Notably, all 11 non-beneficiaries (100%) indicated a willingness to apply again for the loan in the future, provided that the necessary support, clarity, and facilitation are available. This reflects a latent demand and a positive disposition toward the scheme, which, if addressed effectively through outreach and simplified procedures, can be converted into active participation.

In summary, the analysis points to a disconnect between awareness and access. While most non-beneficiaries have heard of NBCFDC schemes, their understanding is narrow and lacks clarity on available options and application procedures. The interest in small business loans, openness to SHG membership, and willingness to reapply all underline a strong potential for successful intervention if the communication gap is bridged and awareness is deepened at the grassroots level.

Table CH.14: Awareness of NBCFDC loan scheme among non-beneficiaries in Chandigarh

Awareness of NBCFDC loan scheme	No. of non-beneficiaries	Percentage
Whether know about the NBCFDC loan scheme		
Yes	10	91%
No	1	9%
Type of NBCFDC loan scheme availed		
General loan scheme	-	-
New Swamima scheme	1	-
Education loan	1	9%
Microfinance scheme	9	9%
Mahila Samridhi scheme	-	-
Small loan	-	82%
NBFC-MFL loan	-	-
Refinance scheme	-	-
Other		
Type of activity for which assistance is needed/requested		
Agriculture and allied	0	0
Small business	11	100%
Transport sector	0	0
Service sector	0	0
Type of interferences for education, business		
No awareness	11	100%
Collateral requirement	-	-
Gender bias	-	-

Awareness of NBCFDC loan scheme	No. of non-beneficiaries	Percentage
Lack of group formation (for micro finance)	-	-
Whether planning again to apply for loan in future		
Yes	11	100%
No	-	-
Whether willing to join a group (SHG), if required		
Yes	10	91%
No	1	9%

CH. 15 Type of barriers to get loan among the non-beneficiaries:

The data provided in Table below offers a focused analysis of the key barriers faced by non-beneficiaries of the NBCFDC loan scheme, identifying specific challenges that hinder access to financial support. The findings reveal that procedural complexity and lack of guidance are the most prominent obstacles. A significant 91% of respondents rated “complicated application” as a major barrier (score 5), with the remaining 9% rating it as 4, indicating that the application process is widely perceived as difficult and inaccessible. This complexity likely deters eligible individuals from initiating or completing the loan application.

Similarly, “no one to guide/help” emerged as a severe constraint, with 81% rating it a 5, and the remaining 19% rating it a 4. This underscores a critical gap in support systems and community-level facilitation. The absence of dedicated personnel or institutional handholding significantly limits the ability of potential applicants to understand and navigate the loan process.

Lack of digital literacy also stands out as a moderate but notable barrier. While 27% rated it as a 5, and 9% as 4, a larger portion (54% rated it 3) viewed it as a moderate issue, with another 10% rating it 2. This indicates that although digital illiteracy is not the most severe barrier, it does affect a substantial segment of the population, particularly in a context where application procedures may involve online components or digital documentation.

On more systemic and structural issues, “need for collateral” and “gender-based discrimination” were both rated by 100% of respondents as a level 1 barrier, meaning they did not consider these to be barriers in their specific cases. This is a noteworthy finding, especially given that access to formal credit in India often comes with collateral requirements and may be affected by gender norms. The absence of these as reported barriers suggests that either the loan schemes themselves have been designed to be inclusive in these respects, or these issues were not encountered due to lack of progress beyond the initial application stage.

The detailed analysis highlights those informational and procedural barriers, such as a complicated application process, lack of guidance, and to a lesser extent, digital illiteracy, are the key factors preventing non-beneficiaries from accessing NBCFDC loan schemes. These findings point to the urgent need for simplified application procedures, enhanced community-level awareness, and stronger facilitation mechanisms. By addressing these non-structural but

impactful obstacles, the scheme's reach and effectiveness can be significantly improved among eligible rural and low-income populations.

Table CH.15: Type of barriers to get loan among non-beneficiaries in Chandigarh

Statement	Type of barriers* to get loan (percentage of non-beneficiaries)					No. of non-beneficiaries
	5	4	3	2	1	
Complicated application	91%	9%	-	-	-	11
Need for collateral	-	-	-	-	100%	11
Lack of digital literacy	27%	9%	54%	10%	-	11
No one to guide/help	81%	19%	-	-	-	11
Gender-based discrimination	-	-	-	-	100%	11

*1= Not at all, 2= Slightly, 3= Moderately, 4= Much, 5= Very much

The experiences of non-beneficiaries in Chandigarh reveal a complex interplay of informational, procedural, and socio-economic barriers that continue to limit their access to financial support under NBCFDC loan schemes. While a majority of individuals have heard about the existence of these schemes, a deeper awareness of specific loan types, eligibility criteria, and application processes remains largely absent. This lack of knowledge, coupled with a highly complicated application system, has created a sense of exclusion and confusion among potential applicants. The absence of guidance and support at the local level further intensifies these challenges, leaving many without the assistance needed to successfully complete the loan process. Additionally, the digital divide plays a significant role—many respondents struggle with digital platforms that are increasingly being used for loan applications. The requirement of collateral has proven to be a critical barrier, particularly for low-income individuals who lack tangible assets, while gender-based discrimination adds another layer of restriction, especially for women. Despite these challenges, there is a clear willingness among non-beneficiaries to access loans and participate in group-based models like SHGs, which reflects a strong interest in improving their socio-economic conditions. Addressing these multifaceted barriers through targeted awareness campaigns, simplified procedures, digital literacy programs, and inclusive financial practices will be essential in ensuring that the benefits of NBCFDC loan schemes reach those who need them the most.



State Report

Chhattisgarh



State Report: Chhattisgarh

C.1 Introduction

C.1.1 Background of SCA in Chhattisgarh:

The SCA, Chhattisgarh Rajya Gramin Bank disburses loans for a number of schemes, including Micro- Credit initiatives, Education Loans, Term Loans, and the Mahila Samridhi Yojana. Beneficiaries are selected through an open application process, and the funds are transferred straight to their accounts. Before granting the loan, SCA often counsels the beneficiaries on financial literacy, business planning, and repayment awareness. No collateral guarantee is required from the beneficiaries. The average loan size offered to individual beneficiaries is calculated at Rs. 1,50,000/-. Because of the low literacy rate, a considerable segment of the population, particularly in rural regions, may be unfamiliar with the system and its benefits. The bank offers several financial literacy camps to raise awareness among these individuals. During the last three reference years of this study, 2020-21, 2021-22, and 2022-23, approximately 3706 individuals were awarded loans under various NBCFDC initiatives in Chhattisgarh. Women accounted for approximately 31.78 percent of all beneficiaries.

In the current study, the research team physically contacted roughly 21 beneficiaries and collected various information on their social status and scheme-related information using a structured questionnaire. The responses of numerous beneficiaries recorded in the excel sheet were briefly examined in order to prepare the study's report.

C.1.2 Disbursement Patterns of NBCFDC Loans in the State for FY 202023

As per the data provided by the SCA, approximately 3706 individuals were awarded loans under various NBCFDC initiatives in Chhattisgarh during the period of 2020-23. A sample of 21 beneficiaries was surveyed, and the findings revealed that 100% of them had utilized the loan for activities in the transport sector.

The distribution of beneficiaries across the districts of Chhattisgarh for the years 2020-23 is given below:

Table C1.2.1

District	Number of Beneficiaries
Raipur	21

Out of the total beneficiaries surveyed who have benefitted from the loan, 11 are Males and 10 are females. The maximum amount of loan disbursed is Rs.1,84,000 and the minimum amount is Rs.1,10,000.

The activities in which beneficiaries have been given the loans in are as follows:

Table C1.2.2

Activity	Number of Beneficiaries
Purchase of a car for tourism	10
Purchase of truck	4
Purchase of tractor	4
Purchase of auto rickshaw	3

C.1.3 Sample Size

In the study, the 21 beneficiaries and 21 non-beneficiaries of the NBCFDC loan scheme have been studied. The socio-economic information, scheme-related information, loan utilization and business impact, repayment and financial behaviour, satisfaction level with SCAs and Banks and socio and economic impact have been surveyed from the beneficiaries. From the non-beneficiaries, socio- economic information and scheme-related information have been covered.

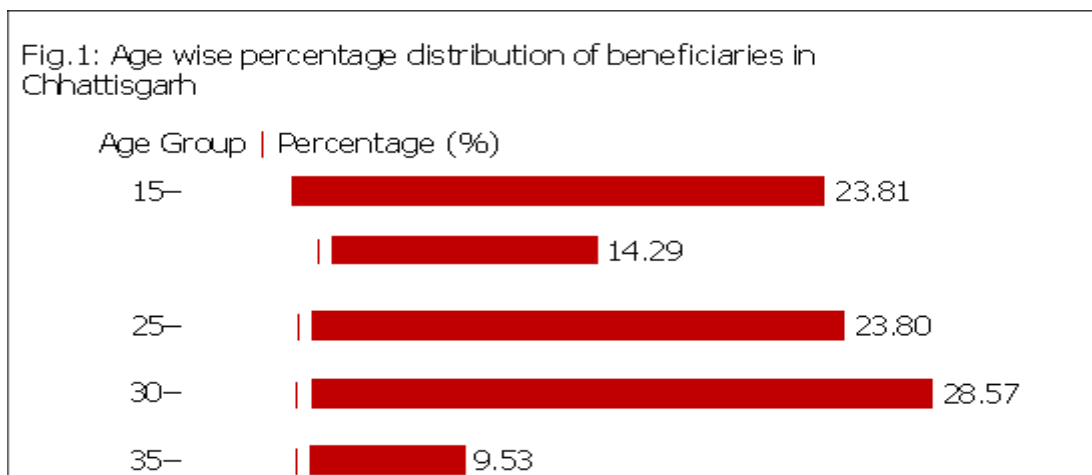
C.2 Analysis of the Socio-Economic Parameters of Beneficiaries:

Table C.2.1: Socio-demographic information of beneficiaries in Chhattisgarh

Socio-economic indicators	No. of beneficiaries	Percentage
Age (in years)		
<14		
15-19	-	-
20-24	-	-
25-29	- 05	-23.81
30-34	03	14.29
35-39	05	23.80
40-45	06	28.57
45-49	02	09.53
50+	-	-36.3
Average age (in years)		
Gender		
Male	11	52.38
Female	10	47.62
Other	-	
Marital status		
Single		-
Married	- 21	100.0
Divorced	-	-
Widowed	-	-
Type of family		
Joint	21	100.0
Nuclear	-	-
No. of dependents in the family		
0	-	-
1	-	-
2	-	-
3	-	-
4	- 21	- 100.0
5+		

C.2.1 Age Group Distribution

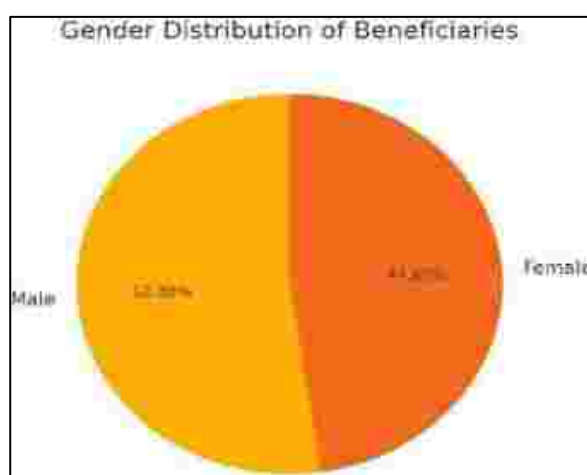
Figure C2.1.1



The age profile of beneficiaries reflects a clear concentration within the working-age population. About 23.81% are in the 15–19 age group, 14.29% in the 20–24 group, 23.80% in the 25–29 group, 28.57% in the 30–34 group, and 9.53% in the 35–39 bracket. Overall, nearly 62% of the beneficiaries fall within the 25–39 age range, while the remaining 38% are between 40 and 49 years. Notably, there were no beneficiaries aged 50 years or above.

C.2.2 Gender

Fig: C.2.2.1 Gender Distribution of Beneficiaries



About 52% of the beneficiaries were men, and the remaining 48% were women. A hundred percent of the sample beneficiaries were married and lived in a joint family. The family had five or more dependents.

C.2.3 Socio-Economic Indicators

Table C.2.3.1 Some socio-economic information of beneficiaries in Chhattisgarh

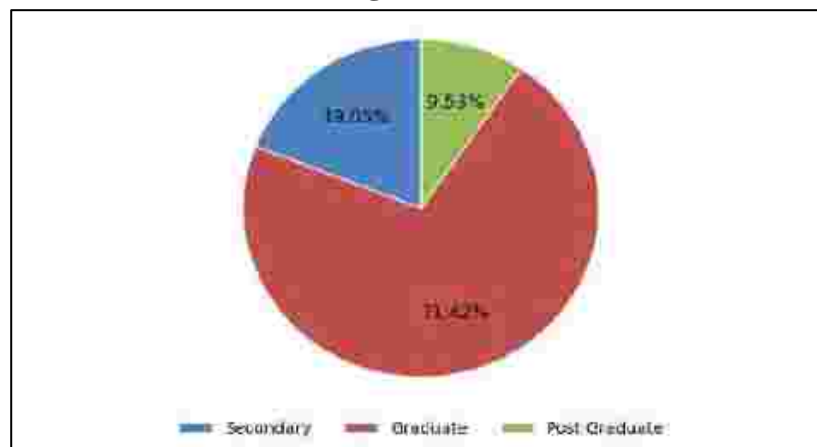
Socio-economic indicators	No. of beneficiaries	Percentage
Place of current residence		
Rural areas	-	-
Semi-urban areas	- 21	- 100.0
Urban area	-	-
Metropolitan city		
Type of residence		
Own house	21	100.0
Rental house	-	-
Nature of house occupied		
Hut	- 21	- 100.0
Concrete roof	-	-
Sheet roof		
Tile roof		
Type of amenities available in the house		
Electricity	21	100.0
Piped water	21	100.0
Sanitation	21	100.0
Internet	-	-
Neither of all	-	-
Highest level of education		
No formal education	-	-
Primary	04	-19.05
Secondary	15	71.42
Graduate or higher	02	09.53
Post Graduate	-	
Others		
Current employment status		
Employed (salaried)	-	-
Self-employed	21	100.0
Unemployed	-	-
Student	-	-
Main income earner in the household		
Father	-	
Mother	-	
Brother	-	
Sister	-	
Other (Self)	21	
Primary source of Income		
Agriculture	-	-
Business	08	38.10
Salaried job	-	-
Daily wage labor	13	61.90
Average monthly household income (in Rs.)	21809.52	
Average monthly household expenditure (in Rs.)	18000.00	
Source of health care services Govt. cards		
Ayushman	21	100.0
Swastha Sathi	-	-
Others	-	-
Type of Bank Account		
Jan Dhan Yojana	-	-
Normal Saving Bank Account	21	100.0
Others	-	-

In the table C.2.3.1 above shows the beneficiaries' current residence, the type of amenities available, their educational level, employment status, principal source of income, and other information. All of the study's sample beneficiaries live in urban areas and have a regular savings bank account. They all have their own modest houses, complete with concrete roofs, electricity, and running water.

C.2.4 Educational Level

The beneficiaries' greatest level of education was graduate or higher (71.42%), followed by secondary level (19.05%) and postgraduate level (9.53%). The Fig. 3 presents the highest level of education attainment by the beneficiaries in Chhattisgarh. The majority of the beneficiaries were self-employed, with 61.9% earning a daily wage. The remainder relied on their business for their principal income. The beneficiaries' average monthly household income was Rs. 21809.52, with an average monthly household expenditure of Rs. 18000. The source of their health care services depends on Ayushman.

Fig C2.4.1



C.2.5 Residential Area

All the surveyed beneficiaries were found to reside in urban areas, with 100% of respondents reporting an urban place of residence.

C.2.6 Ownership of Residence

When asked about the type of residence, all the respondents (100%) reported living in their own houses. This complete rate of home ownership reflects a strong foundation of economic and social stability among the beneficiaries and may also enhance their creditworthiness when accessing loans.

C.2.7 Type of House

The survey reveals that that 100% of the surveyed beneficiaries reside in concrete-roofed houses, with no respondents living in huts, sheet-roofed, or tile-roofed structures.

C.2.8 Electricity and Water Availability at Home

All respondents (100%) reported having access to both electricity and water facilities, indicating full coverage of these basic infrastructure services among the surveyed beneficiaries.

C.2.9 Marital Status

All respondents (100%) are **married**, the large proportion of married individuals suggests that many beneficiaries may have dependent family members, which affects financial planning, housing needs, and access to social benefits.

C.2.10 Nature of Family

All respondents (100%) reported living in joint family households. This living arrangement suggests the presence of shared resources, mutual support systems, and collective decision-making within families. While joint families may provide a safety net that strengthens social and financial stability, they may also influence how loans are utilized and repaid, as benefits and responsibilities are often distributed across multiple members.

C.2.11 Annual Family Income Pre-Loan and Post-Loan

Table C.2.11.1: Annual Family Household Income before uptake of loan

Income Levels	Response	Percentage
Below 1.5 Lakh	1	4.76
1.5-2.25 Lakh	9	42.85
2.25 Lakh -3 Lakh	11	52.38
Above 3 Lakh	0	0
Total count	21	100

As shown in the Table C.2.11.1 above, before availing loans under NBCFDC, the annual family household income of the beneficiaries ranged from below 1.5 lakh to 3 lakh. The income distribution shows a concentration in the lower income brackets, with no representation in higher-income groups. Out of 21 respondents, 14 beneficiaries (66.7%) reported an annual household income of less than 1.5 lakh, 5 beneficiaries (23.8%) reported incomes between 1.5–2.25 lakh, and 2 beneficiaries (9.5%) reported incomes between 2.25–3 lakh. None of the respondents reported an income above 3 lakhs, reflecting the economically weaker profile of the surveyed beneficiaries.

Table C.2.11.2: Annual Family household Income Post loan uptake

Income Levels	Response	Percentage
Below 1.5 Lakh	0	0
1.5-2.25 Lakh	4	19.04
2.25 Lakh -3 Lakh	16	76.19
Above 3 Lakhs	1	4.76
Total Count	21	100

Table C.2.11.3: Change in Income Levels: Pre vs. Post Loan Uptake

Income Range	Percentage of Beneficiaries Pre-Loan (%)	Percentage of Beneficiaries Post- Loan (%)	Percentage of Change in beneficiaries in each group (%)
Below ₹1.5 lakh	4.76	0	↓ 4.76
₹1.5–2.25 lakh	42.85	19.04	↓ 23.81
₹2.25–3 lakh	52.38	76.19	↑ 23.81
Above ₹3 lakh	0	4.76	↑ 4.76

As is evident from the table, the change in income levels pre vs. post loan uptake is given below:

- The lowest income group (below ₹1.5 lakh) completely disappeared, reducing from 4.76% pre- loan to 0% post-loan, reflecting that all households moved out of this vulnerable category.
- The ₹1.5–2.25 lakh bracket declined notably, from 42.85% before loans to 19.04% after loans, showing a reduction of 23.81 percentage points as many households transitioned into higher income groups.
- The ₹2.25–3 lakh range saw the most significant improvement, rising from 52.38% pre-loan to 76.19% post-loan, indicating that nearly three-fourths of households now fall in this stronger middle- income category.
- Importantly, 4.76% of households crossed into the above ₹3 lakh bracket post-loan, showing that a section of families was able to achieve significant income gains.

Average Household Monthly Income Pre vs Post Loan Uptake (in Rs)

The average monthly household income increased from **₹18,000 before the loan** to **₹22,000 after availing the loan**, reflecting an improvement of approximately **22%**. This rise indicates that the financial support enabled beneficiaries to strengthen their income-generating activities, either through enhanced business operations, improved working capital availability, or expansion of livelihood activities.

C.2.12 Employment Status

Table C.2.12.1: Employment Status of Respondents

Employment Status	Response	Percentage
Salaried Employee	0	0
Self employed	21	100
Unemployed	0	0
Student	0	0
Total	21	100

All respondents (100%) in Chhattisgarh reported being self-employed, with every beneficiary availing loans specifically for activities in the transport sector. This reflects a clear pattern of

occupational choice, where individuals have leveraged NBCFDC support to establish or expand livelihoods centred on transportation services. In the context of Chhattisgarh’s economic landscape, this trend underscores the limited availability of formal wage-based employment and highlights the importance of self-driven avenues for income generation.

The complete reliance on self-employment indicates a grassroots economic structure, where individuals create their own livelihoods rather than depend on structured labour markets. However, while such independence allows flexibility and ownership, it also carries vulnerabilities. Without adequate market linkages, business development support, or risk-mitigation mechanisms like insurance, many of these transport-based enterprises remain exposed to fluctuations in demand, rising fuel costs, and competition. The challenge, therefore, lies not only in facilitating access to credit but also in ensuring that these small-scale transport ventures can evolve into sustainable and scalable livelihoods.

C.2.13 Healthcare Access

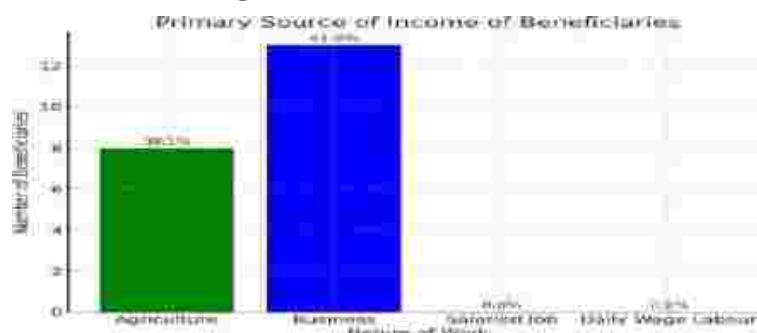
Access to healthcare among the beneficiaries is universal, with 100% of households reporting coverage through government health schemes, specifically the Ayushman Bharat. This reflects the effectiveness of targeted government interventions in ensuring equitable access to medical services.

C.2.14 Nature of Work before uptake of loans

Among the 21 respondents, 8 beneficiaries (38.1%) reported agriculture as their main source of income, while 13 beneficiaries (61.9%) identified business as their primary livelihood. Notably, none of the respondents reported salaried jobs or daily wage labour as their primary source of income.

This distribution indicates that the surveyed group is largely concentrated in self-driven economic activities particularly small-scale business ventures while formal employment and wage labour are absent. The dominance of business and agriculture suggests a dual reliance on entrepreneurial activity and traditional farming, with NBCFDC support likely playing a key role in enabling small enterprises to thrive.

Figure: C.2.14



C.3 Analysis of the Loan Access, Utilization, and Impact Assessment

C.3.1 Time taken by the beneficiaries in obtaining loans from the SCA

Table C.3.1.1: Time taken for loan disbursement

Month Range	Responses	Percentage
Up to 4 months	21	100%
4-6 months	0	-
More than 6 months	0	-
Can't Recall	0	-
Total Response	21	100

The analysis of loan application and sanction timelines reveals a highly efficient process. All 21 respondents (100%) reported receiving their loans within up to 4 months of application. None of the beneficiaries experienced delays beyond this period, and no cases were reported in the categories of 4–6 months, more than 6 months, or “can’t recall.”

C.3.2 Purpose of Uptake of loan

Table C.3.2.1

Purpose of Uptake of Loan	Responses
Working Capital	0
% of beneficiaries	
Purchase of vehicle/truck	21
% of beneficiaries	100%
Business expansion	0
% of beneficiaries	

As can be noted from the table above, all respondents (100%) reported that they had taken loans primarily for the purchase of vehicles or trucks. None of the beneficiaries indicated using the loan for working capital requirements or for business expansion. This highlights the overwhelming concentration of loan utilization in the transport sector, reflecting the beneficiaries’ preference for income-generating assets that provide immediate and steady returns. The exclusive use of credit for vehicle purchase also suggests that, in this context, beneficiaries view ownership of transport assets as the most viable pathway for sustaining livelihoods.

C.3.3 Utilization of Loans for the intended purpose:

100% beneficiaries had used the loan amount for the intended purpose. The activities for which utilization was done is given below:

Table C.3.3.1 Utilization of loan for the intended activity

Activity	Number of Beneficiaries
Purchase of car for tourism	10
Purchase of truck	4
Purchase of tractor	4
Purchase of Auto Rickshaw	3

Activity	Number of Beneficiaries
Total Responses	21

C.4 Awareness of NBCFDC loan schemes, rates of interest & Facilitation of loans taken

A high awareness of the NBCFDC loans were seen amongst the beneficiaries. The table below shows the source of awareness and the number of respondents in each of the category.

C.4.1 Source of Awareness

Table C.4.1.1

Source of Awareness	Number of Beneficiaries	Percentage
Newspaper	5	23.8
Social media	2	9.5
Government Offices & Banks	9	42.9
Word of Mouth	5	23.8
Total	21	100

The survey revealed that most respondents (42.9%) came to know about the NBCFDC scheme through government offices and banks. Newspapers and word of mouth each accounted for 23.8% of responses, while only 9.5% learned through social media platforms. These findings highlight the strong role of institutional channels and traditional media in outreach, with digital platforms still underutilized for awareness generation.

C.4.2 Mode of Application

Table C.4.2.1 Mode of Application

Mode of Application	Number of Beneficiaries	Percentage
Applied Independently	2	9.5
Applied with Family	17	81.0
Applied with Spouse	2	9.5

The analysis of loan application modes shows that a large majority of beneficiaries (81%) applied with the support of family members, highlighting the crucial role of households in facilitating access to credit. Only 9.5% applied independently, while another 9.5% relied on their spouse's support. This indicates that family involvement is a key factor in navigating the loan application process, with very few beneficiaries managing the procedure on their own.

C.4.3 Responses on Loan Interest, Repayment, and Assistance Disbursement

Table C.4.3.1

Question	Response – Yes (No.)	Response – Yes (%)	Response – No (No.)	Response – No (%)
Do you know the interest rate on your loan?	21	100%	0	0%

Question	Response – Yes (No.)	Response – Yes (%)	Response – No (No.)	Response – No (%)
Was the assistance received directly in your bank account?	21	100%	0	0%
Have you missed any instalments?	1	5%	20	95%
Do you find the interest rate fair and affordable?	21	100%	0	0%

Based on the responses presented in the above table, it is evident that the beneficiaries display a strong level of financial awareness and discipline. All respondents (100%) reported knowing the interest rate on their loan, and an equal share (100%) confirmed that the assistance was received directly in their bank accounts, reflecting both transparency and financial inclusion.

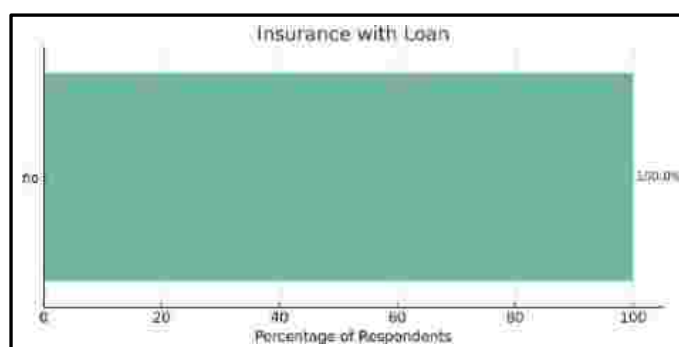
When asked about repayment discipline, only 1 beneficiary (5%) admitted to having missed an instalment, while the remaining 95% reported timely repayments, underscoring a high level of financial responsibility among the surveyed group. Furthermore, all respondents (100%) found the interest rate to be fair and affordable, indicating satisfaction with the loan terms.

C.4.4 Insurance and Risk Coverage

The survey findings reveal that **not a single beneficiary has opted for personal insurance or availed any form of security cover under an existing scheme**. This complete absence of insurance reflects a major gap in the financial protection framework of the beneficiaries.

Such a scenario represents a **missed opportunity** to safeguard vulnerable households from unforeseen risks. In populations that are economically fragile, even minor health shocks, accidents, or sudden crises can undo years of progress. Insurance particularly life and health cover linked to loans serves as a crucial safety net, preventing families from falling back into poverty.

Fig: C.4.4.1



C.4.5 Creation of Assets out of loan assistance provided

Out of the 21 beneficiaries interviewed the following assets have been created:

Table C.4.5.1

Activity	Number of assets created by interviewed beneficiaries	Percentage
Purchase of car for tourism	8	37%
Purchase of truck	2	10%
Purchase of tractor	5	24%
Purchase of Auto Rickshaw	6	29%
Total Responses	21	100

Most beneficiaries invested in **electronic/mechanical assets** to enhance livelihood opportunities. The largest share (37%) purchased cars for tourism, followed by 29% acquiring Auto Rickshaws for local transport. Around 24% bought tractors to support agriculture, while 10% purchased trucks for logistics. This reflects a clear preference for income-generating assets in transport and agriculture.

C.5 Analysis of the Perception-Based Assessment of Loan Experience and Impact through Likert Scale

To assess beneficiaries’ perceptions and experiences, a set of Likert scale questions was included in the survey. Respondents were asked to rate their satisfaction with loan services, the impact of the loan on their social and economic well-being, and changes related to women’s empowerment. Each set of statements was rated on a standard 5-point scale, tailored to the theme.

The findings from the Likert scale analysis have been shown through visualizations in their respective sections given below:

Satisfaction with Loan Services

The responses on the questions in the Likert scale for this category have been tabled and the observations are given below.

Table C.5.1: Likert responses on questions relation to Satisfaction with Loan Services

Question	1	2	3	4	5
Satisfaction with the loan scheme availed	0	0	1	19	1
Assistance and guidance provided by Agency	0	0	0	21	0
Time taken for loan approval	0	0	2	17	2
Interest rates	0	0	3	18	0
Fund disbursement process	0	0	2	19	0
Amount of loan disbursed	0	0	3	16	2
Loan repayment terms	0	0	4	17	0
Transparency of loan terms	0	1	2	18	0
Employee behaviour during lending process	0	0	1	15	5
Guarantee requirements	0	0	9	12	0

Satisfaction with the Loan Scheme Availed

The loan scheme received very positive feedback, with 90% of respondents satisfied and 5% rating it highly satisfactory. Only 5% remained neutral, and no dissatisfaction was reported. This suggests that the scheme is generally effective in meeting beneficiary expectations.

Assistance and Guidance Provided by Agency

All respondents (100%) reported satisfaction with the guidance and support provided by the agency. The uniformity of this response highlights the agency's effectiveness in extending clear and helpful assistance throughout the lending process.

Time Taken for Loan Approval

Most respondents (81%) indicated satisfaction with the time taken for approval, while 10% rated it highly satisfactory. However, another 10% felt neutral, suggesting that while approval timelines are generally reasonable, a small proportion of beneficiaries may have faced minor delays.

Interest Rates

A large majority (86%) expressed satisfaction with the interest rates offered, though 14% felt neutral. This indicates that while interest rates are acceptable to most, there is a small group who may view them as only moderately favourable.

Fund Disbursement Process

The disbursement process was rated positively by 90% of respondents, with 10% expressing neutrality. Overall, this points to a smooth and efficient process, with very few reporting concerns.

Amount of Loan Disbursed

Around three-quarters of respondents (76%) were satisfied with the loan amount, and 10% rated it highly satisfactory. However, 14% remained neutral, suggesting that while the majority found the amount adequate, a segment of beneficiaries expected larger disbursements.

Loan Repayment Terms

Repayment terms were viewed positively by 81% of respondents, though 19% reported neutrality. This indicates that while terms are broadly acceptable, a notable minority may find them somewhat restrictive or less flexible.

Transparency of Loan Terms

Transparency was rated satisfactory by 86% of respondents, with 10% reporting neutrality and 5% indicating dissatisfaction. This suggests generally clear communication, though some beneficiaries may have found aspects of the terms insufficiently explained.

Employee Behaviour during Lending Process

Employee conduct was rated highly, with 71% satisfied and 24% highly satisfied. Only 5% expressed neutrality. This shows strong trust and confidence in staff behaviour and professionalism during the loan process.

Guarantee Requirements

This emerged as the most mixed parameter, with 57% satisfied but as many as 43% reporting neutrality. The relatively high proportion of neutral responses suggests that guarantee or collateral requirements may be viewed as demanding or less favourable compared to other aspects of the scheme.

C.6 Socio-Economic Standard of Living

The responses on the questions in the Likert scale for this category have been tabled and the observations are given below.

Table C.6.1 Likert responses on questions relating to Socio-Economic Standard of Living

Question	Number of Responses according to scale					% of Beneficiaries per response				
	1	2	3	4	5	1	2	3	4	5
Ability to repay debts	0	0	12	9	0	0%	0%	57%	43%	0%
Access to healthcare facilities	0	1	11	8	0	0%	5%	52%	38%	0%
Asset ownership	0	3	4	11	3	0%	14%	19%	52%	14%
Clothing standards	0	0	8	13	0	0%	0%	38%	62%	0%
Equal participation in decision making	0	0	8	12	1	0%	0%	38%	57%	5%
Food and	0	0	3	1	0	0	0	14	86	0
Nutritional Standards	0			8		%	%	%	%	%
House hold Savings	0	1	8	11	1	0%	5%	38%	52%	5%
Improved quality of children's education	1	1	10	9	0	5%	5%	48%	43%	0%

Ability to Repay Debts

More than half of the respondents (57%) reported a moderate ability to repay debts, while 43% indicated satisfaction with their repayment capacity. No one rated it highly satisfactory or dissatisfactory. This suggests that while beneficiaries are generally able to manage repayments, financial pressure still exists for a considerable proportion.

Access to Healthcare Facilities

A majority (52%) rated access to healthcare as moderate, while 38% expressed satisfaction. However, 5% indicated dissatisfaction, highlighting that healthcare access is still a challenge for a segment of the population.

Asset Ownership

Asset ownership was positively rated by 52% of respondents, with 14% reporting high satisfaction. However, 19% indicated only moderate levels, and 14% expressed dissatisfaction. This shows that while asset creation is progressing, disparities remain across households.

Clothing Standards

A significant majority (62%) expressed satisfaction with clothing standards, and 38% reported moderate satisfaction. No negative responses were recorded, indicating steady improvements in this area.

Equal Participation in Decision-Making

More than half (57%) expressed satisfaction with decision-making participation, while 38% rated it moderate and 5% highly satisfactory. This suggests that inclusivity within households is improving, though not yet universal.

Food and Nutritional Standards

This indicator showed very strong results, with 86% satisfied and 14% moderately satisfied. No dissatisfaction was reported, suggesting that food security and nutrition have substantially improved among beneficiaries.

Household Savings

Savings patterns were somewhat mixed, with 52% satisfied, 38% moderate, and 5% each at both dissatisfaction and high satisfaction. This points to gradual improvement in saving capacity, though consistency remains an issue for some families.

Improved Quality of Children's Education

Nearly half (48%) rated the quality of children's education as moderate, while 43% expressed satisfaction. However, 10% reported dissatisfaction, showing that although progress has been made, access to quality education is still uneven.

Overall Living Standards

An overwhelming majority (81%) reported satisfaction with living standards, while 19% rated it moderately. No dissatisfaction was recorded, highlighting strong overall improvements in livelihood and well-being.

Respect and Recognition in the Community

Community perception was divided, with 43% satisfied, another 43% moderate, 10% highly satisfied, and 5% dissatisfied. While most beneficiaries reported positive recognition, some continue to feel only marginally accepted within their communities.

C.7 Non-Beneficiary Analysis

C.7.1 Socio-Economic Status of Non-Beneficiaries:

Here, some information about the non-beneficiaries age, gender, marital status, type of family and number of dependents in the family is presented in Table C.7.1.1. The data on socio-economic indicators reveals several notable trends among the sample group. Regarding age distribution, no individuals were reported in the categories below 20 years, while the majority of respondents fall between 30 and 34 years old, comprising 47.62% of the sample. The next largest groups are those aged 35–39 (19.04%) and 25–29 (14.29%), with a smaller proportion in the 20–24 (4.76%) and 40–45 (14.29%) brackets. The average age of respondents is 33.19 years, indicating a relatively young to middle-aged cohort.

Table C.7.1.1: Some socio-demographic information of non-beneficiaries in Chhattisgarh

Socio-economic indicators	No. of non-beneficiaries	Percentage
Age (in years)		
<14	-	-
15-19	01	-
20-24	03	04.76
25-29	10	14.29
30-34	04	47.62
35-39	03	19.04
40-45	-	14.29
45-49	-	-
50+	-	-
Average age (in years)		33.19
Gender		
Male	19	90.48
Female	02	09.52
Other	-	-
Marital Status		
Single	01	04.76
Married	20	95.24
Divorced	-	-
Widowed	-	-
Type of Family		
Joint	16	76.19
Nuclear	05	23.81
No. of dependents in the family		
0	-	-
1	-	-
2	-	-
3	-	-
4	03	14.29
5+	18	85.71

Gender distribution is heavily skewed toward males, who make up 90.48% of the sample, with females accounting for the remaining 9.52%. No respondents identified as belonging to other gender categories. In terms of marital status, a significant majority of the sample is married

(95.24%), while only 4.76% are single, and there are no divorced or widowed individuals represented.

Family structure data show that joint families are most common, comprising 76.19% of respondents, compared to nuclear families at 23.81%. The number of dependents in each family is also noteworthy: the vast majority (85.71%) of households have five or more dependents, while 14.29% have exactly four dependents. No households reported fewer than four dependents. Table C.7.1.2 shows the non-beneficiary's current residence, the type of amenities available, their educational level, employment status and other information.

Table C.7.1.2: Some socio-economic information of non-beneficiaries in Chhattisgarh

Socio-economic indicators	No. of beneficiaries	Percentage
Place of current residence		
Rural areas	-	-
Semi-urban areas	03	14.29
Urban area	18	85.71
Metropolitan city	-	-
Type of residence		
Own house	13	61.90
Rental house	08	38.10
Nature of house occupied		
Hut	-	-
Concrete roof	21	100.0
Sheet roof	-	-
Tile roof	-	-
Type of amenities available in the house		
Electricity	21	100.0
Piped water	21	100.0
Electricity only	21	100.0
Clean water only	-	-
Neither of all	-	-
Highest level of education		
No formal education	-	-
Primary	-	-
Secondary	12	57.14
Graduate or higher	09	42.86
Current employment status		
Employed (salaried)	-	-
Self-employed	20	95.24
Unemployed	-	-
Student	01	04.76
Current economic status		
BPL	-	-
Above BPL	21	100.0
DPL	-	-
Above DPL	-	-
Primary source of Income		

Socio-economic indicators	No. of beneficiaries	Percentage
Agriculture	04	19.05
Business	08	38.10
Salaried job	-	-
Daily wage labor	09	42.85
Average annual household income during 2020-2023 (in Rs.)	1,50,000	-
Whether access to health care services		
Yes, easily	20	95.24
Yes, but difficult	01	04.76
No access	-	-
Not Applicable	-	-
Other	-	-
Type of Bank Account		
Jan Dhan Yojana	-	-
Normal Saving Bank Account	21	100.0
Others	-	-

The sample of non-beneficiaries is almost entirely urban and semi-urban, with 85.71% living in urban areas and 14.29% in semi-urban areas.

The non-beneficiary group is highly educated, with all members having completed at least secondary education and a substantial proportion (42.86%) holding graduate or higher degrees. This is well above the state's typical educational attainment, especially in rural areas where lower literacy and higher dropout rates are more common.

Regarding housing, all non-beneficiaries in the sample live in houses with concrete roofs and have access to electricity, piped water, and clean water. This is an indication of relatively better housing conditions and access to basic amenities. The sample also shows that all households have normal savings bank accounts, indicating higher financial inclusion than the state average, where Jan Dhan accounts are more prevalent among the rural poor.

The employment structure of non-beneficiaries is dominated by self-employment (95.24%) and daily wage labour (42.85%), with a notable absence of salaried jobs. This aligns with the broader state trend where the majority of workers are engaged in agriculture, forestry, and fishing, followed by services and construction. However, the sample's lack of salaried employment and the high proportion of self-employment suggest an informal urban economy, rather than the rural-agrarian base that defines most of Chhattisgarh.

The average annual household income for non-beneficiaries is reported at ₹ 1,50,000, which is above the poverty line for the state but modest compared to urban averages elsewhere. All non-beneficiaries in the sample are classified as above the poverty line. Access to healthcare is reported as easy for 95.24% of the sample.

C.7.2 Awareness of the NBCFDC loan scheme among non-beneficiaries:

There is limited direct data on non-beneficiaries' awareness of the NBCFDC (National Backward Classes Finance and Development Corporation) loan scheme from the available

sources. Keeping such point in view, awareness of NBCFDC loan scheme among 65 non-beneficiaries in Chhattisgarh have been studied and presented in Table C.7.2.1

Table C.7.2.1: Awareness of NBCFDC loan scheme among non-beneficiaries in Chhattisgarh

Category	Number	Percent age
Awareness of NBCFDC loan scheme - Yes	0	0
Awareness of NBCFDC loan scheme - No	65	100
General loan scheme	0	0
New Swamima scheme	3	4.62
Education loan	28	43.08
Microfinance scheme	3	4.62
Mahila Samriddhi scheme	31	47.69
Small loan	0	0
NBFC-MFL loan	0	0
Refinance scheme	0	0
Activity - Agriculture and allied	9	13.85
Activity - Small business	40	61.54
Activity - Transport sector	15	23.08
Activity - Service sector	0	0
Interference - No awareness	43	66.15
Interference - Collateral requirement	15	23.08
Interference - Gender bias	0	0
Interference - Lack of group formation	6	9.23
Planning to apply again - Yes	65	100
Planning to apply again - No	0	0
Willing to join SHG - Yes	65	100
Willing to join SHG - No	0	0

Analysis of the available data on awareness of the NBCFDC loan scheme among non-beneficiaries reveals several critical insights. The sample consists of 21 non-beneficiaries, all of whom (100%) are aware of the NBCFDC loan scheme.

Among these non-beneficiaries, the types of NBCFDC loan schemes they are familiar with or would consider are varied. The data suggests that 42.86% are aware of or interested in the Micro Finance Scheme, 47.62% in small loans, and 4.46% in the Education loan, with one respondent mentioning the Mahila Samriddhi scheme (4.76%). This distribution highlights a strong preference for schemes catering to small-scale or micro-finance needs.

Regarding the intended use of loans, 61.91% of non-beneficiaries seek assistance for small business, 23.81% for the transport sector, and 14.28% for agriculture and allied activities.

The main barriers identified by non-beneficiaries for not availing loans previously include a lack of awareness (66.67%), collateral requirements (23.81%), and challenges in group formation for micro-finance (9.52%). It is important to note that while the current sample of 21

non-beneficiaries reports 100% awareness, the "lack of awareness" as a barrier likely refers to more nuanced or detailed knowledge required to navigate the application process or understand eligibility, rather than basic awareness of the scheme's existence.

All non-beneficiaries in the sample (100%) expressed willingness to apply for a loan in the future and to join a self- help group (SHG) if required. This indicates strong interest and potential demand for NBCFDC schemes among those who have not yet benefited, provided that awareness \campaigns address specific barriers such as collateral requirements and group formation challenges.



C.7.3 Type of barriers to get loan among the non-beneficiaries:

The barriers to accessing the NBCFDC loan scheme among non-beneficiaries are significant issues. The multiple barriers—such as bureaucratic hurdles, low financial literacy, limited geographical reach, and insufficient publicity— prevent many eligible non- beneficiaries from accessing NBCFDC loan schemes. Addressing such type of issues through broader outreach and simplified processes to target 65 non-beneficiaries for study purposes.

The provided data describe the perceived barriers to obtaining loans among non- beneficiaries, as reported by 65 respondents. The barriers are rated on a scale from 1 (not at all) to 5 (very much), with each percentage indicating the proportion of respondents who selected each level of agreement.

For complicated application processes, 85.71% of respondents indicated that this was much of a barrier, while 14.29% considered it a moderate barrier. No respondents selected any other levels for this barrier. The need for collateral was viewed as much of a barrier by 61.90% of respondents and as a moderate barrier by 38.10%, with no responses at other levels. Lack of digital literacy was rated as much of a barrier by 80.95% and as moderate by 19.05%, again with no responses at other levels.

When it comes to the absence of someone to guide or help, 71.43% of respondents felt this was only a slight barrier, 19.05% considered it moderate, 4.76% viewed it as not at all, and another 4.76% selected a higher level, though the exact value is unclear from the data. For gender-based

discrimination, 80.95% reported this as much of a barrier and 19.05% as moderate, with no responses at other levels.

C.8 Overall Analysis:

The NBCFDC lending schemes in Chhattisgarh, implemented through Rajya Gramin Bank, have led to marked improvements in beneficiaries' income, social status, and living standards, particularly benefiting women and rural families. Beneficiaries report enhanced economic empowerment, skill development, and high satisfaction with transparent processes and supportive bank staff. Major gains are seen in asset ownership, food security, and overall well-being, though some challenges persist in debt repayment and clothing standards. Outreach and financial literacy gaps remain, indicating the need for ongoing education efforts. In contrast, non-beneficiaries are mostly educated and urban but face barriers such as complicated applications, collateral demands, and digital illiteracy. Gender-based discrimination is also a significant obstacle for many. Despite these issues, non-beneficiaries show a strong willingness to participate if barriers are addressed. Tackling these challenges could unlock greater financial inclusion and amplify the schemes' socio-economic impact. Overall, while the NBCFDC programs are effective, targeted improvements are necessary for broader and deeper reach.

C.9 Suggestion & Recommendations:

Here are some of the policy recommendations based on the findings from the NBCFDC scheme evaluation in Chhattisgarh:

- i. **Simplify Loan Application Processes:** Streamline paperwork and provide step-by-step guidance to make applications less complicated for beneficiaries.
- ii. **Enhance Awareness Campaigns:** Increase outreach through digital media, local events, and community leaders to improve scheme awareness and understanding.
- iii. **Strengthen Digital Literacy:** Offer training sessions to improve digital skills, enabling easier access to online applications and scheme information.
- iv. **Reduce Collateral Requirements:** Explore options for collateral-free or low-collateral loans, especially for first-time and women applicants.
- v. **Expand Financial Literacy Programs:** Conduct regular workshops on loan management, interest calculations, and repayment planning for both beneficiaries and non-beneficiaries.
- vi. **Promote Gender Inclusion:** Address gender-based barriers by encouraging women's participation and providing targeted support for female applicants.
- vii. **Facilitate Group Formation:** Assist applicants in forming self-help groups to improve access to group-based lending schemes.
- viii. **Provide Post-Loan Support:** Offer business mentoring, market linkages, and follow-up services to help beneficiaries maximize loan impact and profitability.

- ix. **Increase Transparency:** Ensure all terms, eligibility criteria, and processes are clearly communicated, minimizing confusion and third-party interference.
- x. **Monitor and Evaluate Outcomes:** Regularly assess scheme effectiveness and beneficiary satisfaction to identify gaps and continuously refine program delivery.

H.10 Success Story



1	Name of SCA	Chhattisgarh Rajya Gramin Bank
2	Name of Scheme	Small Business
3	Name of Beneficiary	Sri Khilesh Sahu
4	Complete Address	Raipur, Chhattisgarh
5	Project Details	E-rickshaw driver
6	Loan Amount	Rs. 1.84 Lakh
7	Date of Disbursement	27.03.2023
8	Income before & after taking Loan	18,000/- & 31,000/- per month
9	Contact Number	9109876543

Mr. Khilesh Sahu, a 28-year-old resident of Raipur district, is an inspiring example of how access to timely financial assistance can transform lives. With support under the NBCFDC scheme, he availed a loan of ₹1,84,000, which enabled him to purchase a battery-operated e-rickshaw.

Prior to this intervention, Mr. Sahu faced limited and irregular sources of income, making it difficult to support his family and meet daily expenses. The financial support helped him establish a sustainable means of livelihood. With his e-rickshaw, he now earns a steady daily income, ensuring not only economic stability but also the ability to contribute to household savings.

The impact of this assistance has been transformative. His revenue has increased significantly, and with improved financial capacity, he has enhanced the standard of living for his family. Regular household expenditures, children's educational needs, and healthcare expenses are now

met with greater ease. The ownership of an eco-friendly e-rickshaw has also given him dignity, independence, and recognition in his community.

Mr. Sahu's story demonstrates the positive outcomes of NBCFDC's initiatives in empowering individuals through self-employment opportunities. His journey stands as a testament to how focused support can uplift marginalized sections and help them lead a life of economic security and social confidence.



State Report

Goa



State Report- Goa

G.1 Introduction

G.1.1 Background of Goa State Scheduled Castes, & Other Backward Classes Finance & Development Corporation Ltd.

The Goa State Scheduled Castes and Other Backward Classes Finance and Development Corporation Ltd., established on 2nd April 1990 under the Companies Act, 1956, operates with a shareholding ratio of 51:49 between the State and Central Governments.

It functions as the State Channelizing Agency (SCA) for four national-level corporations—NSFDC, NBCFDC, NHFDC, and NSKFDC—implementing their schemes across Goa.

In addition, the Corporation runs its own “Graha Suraksha” scheme, offering loans up to ₹2 lakh at 4% interest for house repairs, fully funded by the State Government to support the housing needs of weaker sections.

G.1.2 Disbursement Patterns of NBFDC Loans in the State for FY 2020-23

The data on loans disbursed by the SC/ST/OBC Commission Goa reveals a year-wise trend in sectoral allocation, reflecting both the evolving priorities of the scheme and the demand patterns among beneficiaries.

In 2020, only one loan was sanctioned, which was directed towards the manufacturing sector, specifically for the production of clay bricks. This indicates an early focus on supporting traditional and rural-based industries through financial assistance. In the following year, 2021, two loans were disbursed — one for setting up a restaurant, and the other for the purchase of an Ashok Leyland commercial vehicle. These disbursements suggest a diversification in livelihood promotion, catering to both service-oriented entrepreneurship and the transport sector.

The year 2022 saw a substantial increase in the volume of loans and a marked shift towards the transport sector. Out of the eight loans sanctioned that year, six were for the purchase of Ertiga vehicles, one for a Super Carry, and another for a Thar. Additionally, one loan was given for establishing an Ice Cream Factory, representing small-scale food processing or cold chain-based enterprise. This growing inclination towards vehicle-based employment highlights the scheme’s focus on enabling self-employment through mobility solutions, possibly in passenger transport or goods delivery services.

In 2023, the trend continues with a strong dominance of the transport sector. All six loans disbursed in this year were for the purchase of Ertiga vehicles, confirming a sustained preference for light commercial vehicles under the scheme. These loans appear to support income-generating activities such as taxi services, local transport, or tourism-related mobility, which are relevant in the Goan context.

G.1.3 Sample Population

A sample size of 30 beneficiaries was determined in consultation with the SCA for the state of Goa, as per the sampling plan for the study. All Beneficiaries were interviewed based on the list of beneficiaries given by the SCA. Beneficiaries were covered from districts of North and South Goa. The interviews were done through the Kobo tool and a structured closed ended questionnaire.

G.1.4 Sample Design Selection of Districts

The state of Goa was selected for this evaluative study as per the proposed sampling plan. State Channelising Agency selected for this evaluation was The Goa State Scheduled Castes & Other Backward Classes Finance & Development Corporation Ltd. Therefore, the districts for which consent was received became part of the present study. These districts were selected in consultation with the SCA.

G.1.5 Sources of Data

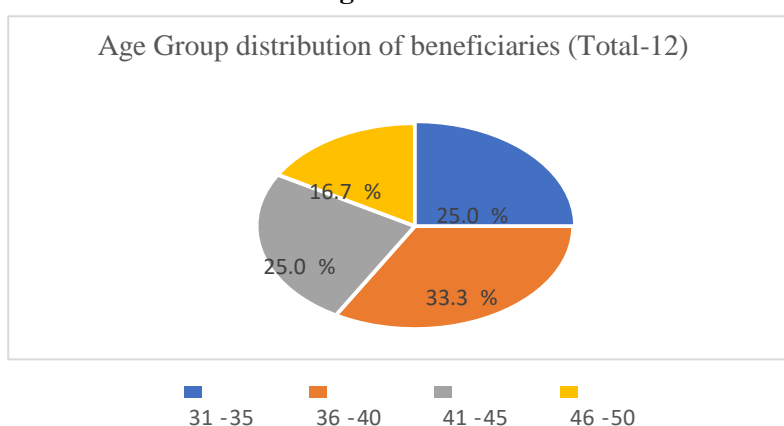
This was an empirical study intending for an evaluation of the lending schemes already implemented. The list of the beneficiaries for Term Loan schemes of NBCFDC for the period of study (2020-23) was shared by SCA which comprised the name and other details of the beneficiary of the loan schemes. All the willing beneficiaries were contacted through the State Channelising Agency and were verified from the available list of beneficiaries.

The evaluation for various other parameters like the utilization ratio, loan recovery ratio/mechanism, number of defaulters and the mechanism of monitoring done for these loans by the SCAs has been collected through the questionnaires in Kobo toolbox. Additionally, information has also been gathered from their websites and annual reports.

G.2 Analysis of the Socio-Economic Parameters

G.2.1 Age Group Distribution

Figure G.2.1.1

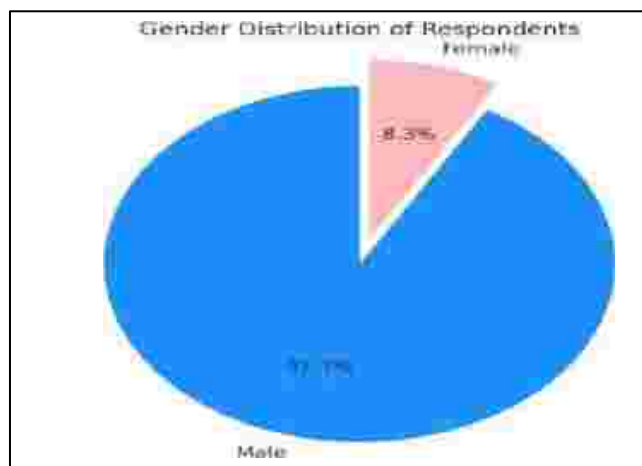


The age group distribution shows a concentration in the working age population. The highest representation is seen in the 36–40 age group, which constitutes 33.3% of the total beneficiaries.

This is followed by the 31–35 and 41–45 age brackets, each accounting for 25.0% of the total. The 46–50 group comprises the remaining 16.7%.

G.2.2 Gender

Figure G.2.2



Among the respondents, 91.7% are male and 8.3% are female. This reflects strong male participation in the loan schemes, either due to social norms, higher mobility, or economic engagement among men.

The relatively low female representation suggests a potential area for improved gender inclusivity, and highlights the need for targeted outreach to women to ensure equitable access to financial opportunities.

G.2.3 Aadhar Card Ownership

Every single respondent (100%) has an Aadhaar card, confirming full coverage in terms of national identification. This is a crucial enabler for accessing benefits and indicates that identity-linked schemes can be efficiently administered within this group.

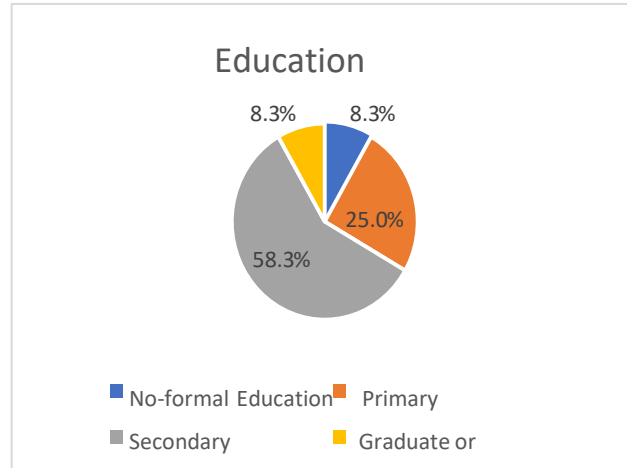
G.2.4 Type of Bank Account

All respondents reported having a normal savings bank account, indicating complete financial inclusion at the most basic level. While this shows success in linking beneficiaries to the banking system, the absence of Jan Dhan or other targeted financial products suggests a limited diversity in financial access. Further financial deepening and product diversification could enhance economic empowerment.

G.2.5 Education Level

A majority of respondents (58.3%) have attained secondary education, followed by 25.0% with primary education. Only 8.3% are graduates, and another 8.3% reported having no formal education.

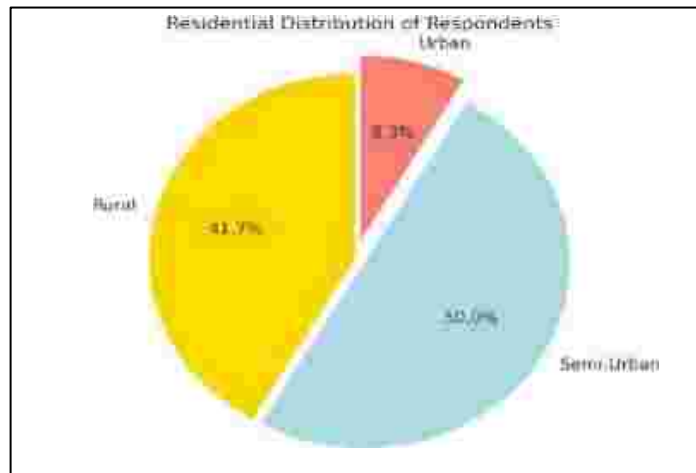
Figure G.2.5.1



This educational profile suggests that the schemes are effectively reaching semi-literate populations, which is appropriate for livelihood-oriented interventions. However, the low proportion of highly educated respondents may also reflect limited awareness or interest among that group.

G.2.6 Residential Area

Figure G.2.6.1: Residential Area



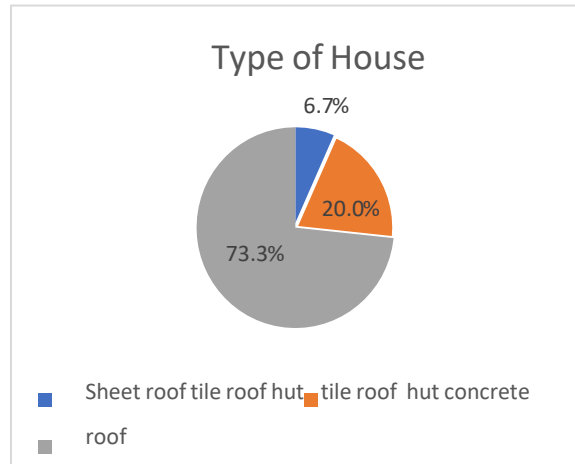
Half of the respondents (50%) reside in semi-urban areas, followed by 41.7% in rural areas and only 8.3% in urban locations. This distribution suggests that the schemes are primarily accessed by those in less urbanized regions, aligning with the development mandate of supporting backward and under-served communities. However, the relatively low urban share indicates that scheme may have visibility or demand in metropolitan contexts.

G.2.7 Type of House

About 73.3% of the respondents live in houses with concrete roofs, suggesting reasonably durable living conditions. Another 20% where as 6.7% resides in sheet-roofed dwellings. This indicates a wide variation in housing quality, with most households in structurally sound residences, though some still inhabit semi-permanent or makeshift structures. Among the

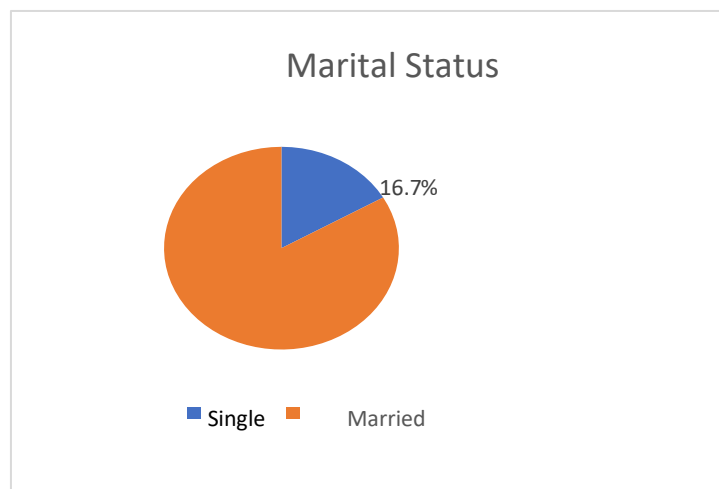
respondents, 100% live in self-owned houses. This reflects residential security among beneficiaries, often considered a positive factor for financial eligibility and loan recovery potential.

Figure G.2.7.1



G.2.8 Marital Status

Figure G.2.8.1

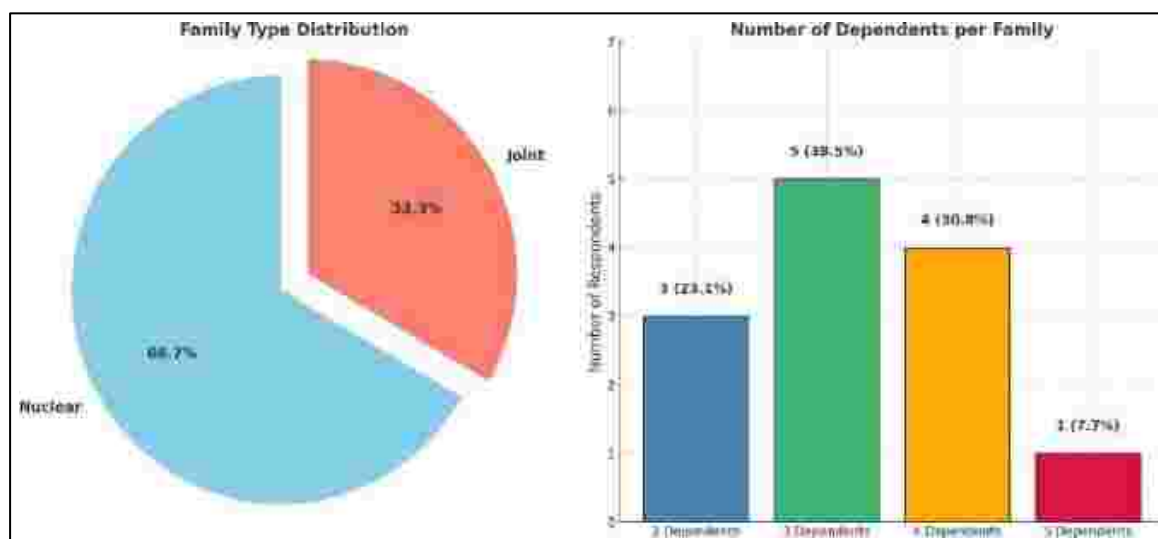


A significant majority (83.3%) of the respondents are married, while 16.7% are single. This suggests that most beneficiaries are household heads or individuals with key economic responsibilities, which aligns with the scheme's objective of supporting income-generating activities for families.

G.2.9 Nature of Family

Most beneficiaries (66.7%) belong to **nuclear families**, while the remaining 33.3% are part of **joint families**. This highlights a predominant family structure wherein financial responsibility rests on a smaller household unit. The presence of joint families also suggests intergenerational support systems that could influence how loans are utilized and repaid.

Figure: G.2.9.1



The number of dependents per family among the surveyed beneficiaries ranges from **2 to 5**, with **3 dependents** being the most common. Specifically, 41.7% of respondents reported having 3 dependents, followed by 33.3% with 4 dependents, and 25% with 2 dependents. Only one respondent reported having 5 dependents.

G.2.10 Annual Family Household Income Pre-loan and Post-loan

Table G.2.10.1: Annual Family Household Income before uptake of loan

Income level	Response	Percentage
Below 1.5 lakh	6	20%
1.5- 2.25 Lakh	2	7%
2.25-3 lakh	24	80%
Total count	30	100%

As shown in the Table G.2.10.1 above, the income distribution shows that a large majority of beneficiaries fall within the ₹2.25–3 lakh annual income bracket, accounting for 80% of the respondents. This indicates that most households were situated in the middle-income segment prior to loan intervention. A smaller proportion, 20%, reported earnings below ₹1.5 lakh, reflecting a segment of economically vulnerable households. Only 7% of respondents belonged to the ₹1.5–2.25 lakh group, suggesting limited representation in the lower-middle income range. The post-loan income distribution shows a clear upward shift in beneficiaries' economic status. A majority—53%—now fall within the ₹2.25–3 lakh income range, indicating strengthened financial stability after loan uptake. Additionally, a substantial 37% of respondents have moved above the ₹3 lakh annual income bracket, reflecting significant income enhancement for over one-third of the sample. Only 10% remain below ₹1.5 lakh, and none fall in the ₹1.5–2.25 lakh category, suggesting that the lower-income segments experienced the most pronounced upward mobility.

Table G.2.10.2: Annual Family Household Income Post loan uptake

Income level	Response	Percentage
Below 1.5 lakh	3	10
1.5-2.25 lakh	0	0
2.25-3 lakh	16	53
Above 3 lakh	11	37
Total count	30	100%

Table G.2.10.3: Change in Income Levels: Pre vs. Post Loan Uptake

Income Level	Pre-Loan (%)	Post-Loan (%)	% Change
Below 1.5 lakh	20%	10%	↓ 10
1.5–2.25 lakh	7%	0%	↓ 7
2.25–3 lakh	80%	53%	↓ 27
Above 3 lakh	0%	37%	↑ 37

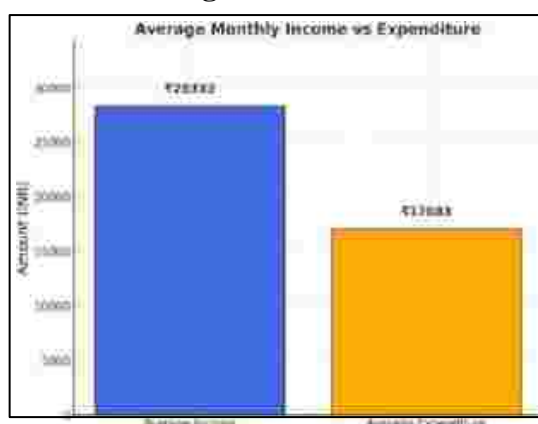
The income distribution of beneficiaries shows a strong upward shift after availing the loan. The proportion of households earning below ₹1.5 lakh fell from 20% to 10%, indicating reduced financial vulnerability. The 1.5–2.25 lakh group, which earlier represented 7% of respondents, completely disappeared post-loan, reflecting upward movement to higher income brackets. While the 2.25–3 lakh group still has the highest share, it declined from 80% to 53%, suggesting that many households transitioned into the above ₹3 lakh category, which grew dramatically from 0% to 37%.

Average household Monthly Income Pre vs Post Loan Uptake (in Rs)

The average monthly household income shows a significant improvement after the uptake of the loan. Before accessing the loan, beneficiaries earned an average of ₹17,000 per month. Following the loan, this increased to ₹27,083, reflecting an approximate 59% rise in monthly income. This substantial growth indicates that the financial support enabled beneficiaries to expand their economic activities, invest in productive resources, and enhance their earning capacity.

G.2.11 Employment Status

Figure: G.2.11.1



The employment profile of the beneficiaries presents a compelling picture of informal economic reliance. A striking 90 % of the respondents identify as self-employed, indicating that a majority of individuals are engaged in some form of entrepreneurial activity. This may

include running small shops, providing home-based services, or managing micro-enterprises. In the context of Goa semi-urban and rural landscape, this finding points toward an adaptive economic behavior, likely driven by the absence of large-scale employment opportunities in the vicinity. The self-employed majority reflects a grassroots economic structure, where individuals create their own livelihoods rather than depend on structured labor markets. However, such independence often comes at a cost. Without access to business insurance, formal credit, or market linkages, many of these enterprises remain vulnerable to income shocks and market fluctuations. The absence of scale, formal training, and growth capital constrains the capacity of these self-driven businesses to evolve into sustainable ventures. Therefore, this cohort could greatly benefit from targeted micro-finance schemes, training in business development, and connections to government or NGO-run livelihood programs.

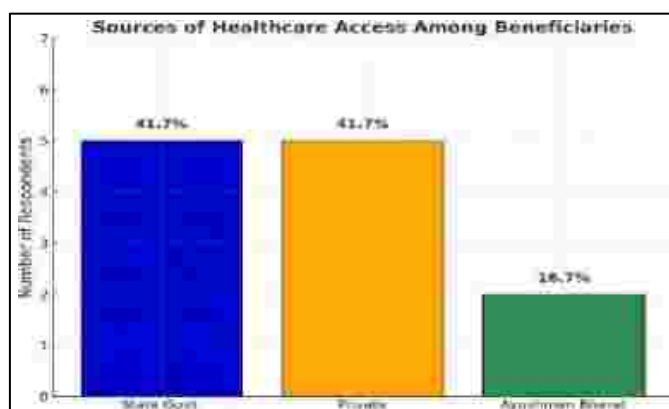
Table: G.2.11.1

Employment Status	Response	Percentage
Business failure due to personal reason	3	10%
Self employed	27	90%
Unemployed	0	0%
Student	0	0%
Total	30	100%

In contrast, only 10% of respondents are salaried employees, a small but significant group likely engaged in formal employment through public or private institutions. While this group enjoys more stability, their limited presence signals the scarcity of formal sector jobs within the areas surveyed.

G.2.12 Healthcare Access

Figure: G.2.12.1



The analysis of healthcare sources reveals that beneficiaries access support primarily from three categories: state government schemes, central government schemes (Ayushman Bharat), and the private sector. Among the respondents, 41.7% rely on state government healthcare provisions, indicating the continued importance of localized public health programs. Another 41.7% depend on private healthcare, reflecting either preference, necessity due to accessibility or perceived quality gaps in public services.

Only 16.6% of the beneficiaries’ report availing healthcare through Ayushman Bharat, the central government’s flagship health insurance scheme. This relatively low uptake suggests a need for greater awareness, streamlined enrolment, or improved access to ensure that the benefits of centrally sponsored healthcare reach the intended communities effectively.

G.2.13 Nature of work before uptake of loans

The primary source of income for the beneficiaries is predominantly small-scale business or self-employment, with 66.7% of respondents reporting “business” as their main livelihood. This reflects the scheme’s strong alignment with micro-entrepreneurs and self-reliant individuals who seek financial support to sustain or expand their ventures. In contrast, 33.3% of the respondents depend on daily wage labor, indicating that a notable share of beneficiaries still engages in variable income. The pre-dominance of beneficiaries in daily wage income category is because of the fact that the loans are given to the transport sector and earning is on daily basis and has a fluctuating income.

G.3 Analysis of the Loan Access, Utilization, and Impact Assessment

G.3.1 Time taken by the beneficiaries in obtaining loans from the SCA

Table: G.3.1.1

Month Range	Responses	Percentage
Upto 4 months	19	63
4-6 months	6	20
More than 6 months	3	10
Can't Recall	2	7
Total Response	30	100

The analysis of loan application and sanction timelines indicates that the majority of beneficiaries received their loans within a relatively short period. Out of the 30 recorded responses, 19 beneficiaries (63%) had their loans sanctioned within up to 4 months of application. This reflects an efficient process in most cases, ensuring timely access to financial assistance. A smaller proportion of beneficiaries, 6 respondents (20%), experienced a delay ranging between 4–6 months, while 3 respondents (10%) reported waiting for more than 6 months. Additionally, 2 respondents (7%) could not recall the exact time taken for their loan sanction.

Overall, the findings suggest that the scheme has been largely effective in enabling quicker sanction of loans, with nearly two-thirds of the beneficiaries gaining access to credit within a period of four months.

G.3.2 Purpose of uptake of loan

Table G.3.2.1

Question	Responses					
	Purchase of raw materials	% of beneficiaries	Business expansion	% of beneficiaries	Working capital	% of beneficiaries
Purpose of uptake of loan	3	10%	20	67%	7	24%

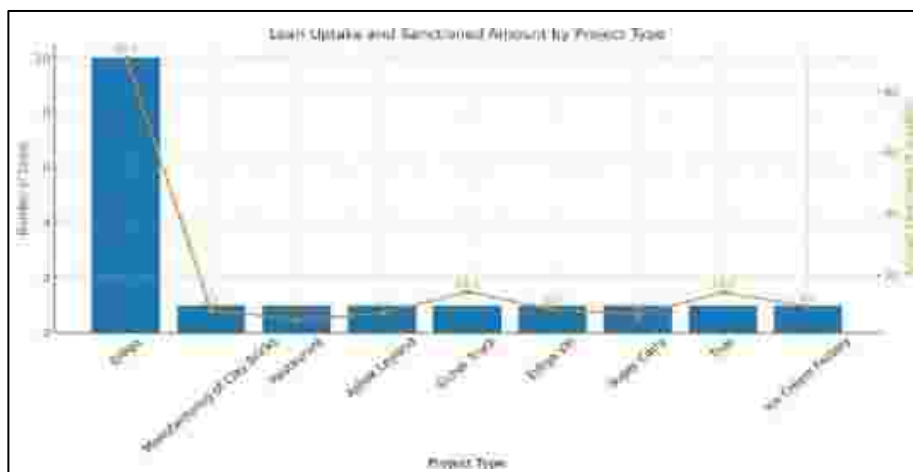
As can be noted from the table G.3.2.1 above, a large majority of the respondents, accounting for 67 %, reported that they had taken loans primarily to expand their business. This suggests that loans are playing a role in facilitating growth and diversification among some enterprises

Meanwhile, 24% percent of the respondents stated that the loan was used for working capital. This indicates that one-fourth of the beneficiaries rely on credit as a means to sustain their day-to-day operations, manage cash flows, and ensure business continuity rather than for long-term investment.

G.3.3 Utilization of loans for the intended purpose:

All the beneficiaries from the state (100% beneficiaries) had used the loan amount for the intended purpose. The activities for which utilization was done is given below:

Figure G.3.3.1



Notably, 10 out of the 12 loans—constituting over 55%—were availed for the purchase of *Ertiga* vehicles, reflecting a strong concentration in the personal and commercial transport sector. In addition, other vehicle-related loans such as those for *Ertiga VXi*, *Ashok Leyland*, *Eicher Truck*, *Super Carry*, and *Thar* were also sanctioned, further reinforcing the dominance of transport-based livelihoods. Cumulatively, loans for vehicles account for nearly 78% of the total portfolio, underscoring a strategic reliance on mobility-oriented microenterprises.

In contrast, a smaller portion of the loans was extended for non-vehicle enterprises. These include one loan each for the *Manufacturing of Clay Bricks*, a *Restaurant*, and an *Ice Cream Factory*. These ventures indicate the scheme’s potential flexibility to support varied forms of entrepreneurship, although uptake in these sectors remains limited. The relatively low participation in non-transport sectors may be attributed to higher setup costs, longer gestation periods, or limited market linkages compared to transport services, which offer immediate and tangible income opportunities.

G.4 Awareness of NBCFDC loan schemes, rates of interest & Facilitation of loans taken

A high awareness of the NBCFDC loans were seen amongst the beneficiaries. 100% reported to know about the NBCFDC loans through word of mouth, friends or relative.

A key strength in the loan application process was the high level of beneficiary autonomy. A remarkable 100% of respondents claimed to have handled the loan process independently, without relying on intermediaries or facilitators.

100% of the beneficiaries stated to having filled the forms online through the SCA. The loans for all beneficiaries (100%) were given through bank transfer.

Table G.4.1

Question	Response/ Yes	Response/ Yes in %	Response /No	Response/ No in %
Do you know the amount of interest rate on your loan	18	60%	12	40%
Whether assistance received directly in bank account	12	40%	18	60%
Have you missed any Installments	3	10%	27	90%
Do you find the inter fair and affordable	24	80%	6	20%

Based on the responses presented in the above table G.4.1, it is evident that the majority of beneficiaries display a fair level of financial awareness and discipline, though some gaps persist. About 60% of the respondents reported that they are aware of the interest rate on their loan, while 40 % admitted to not knowing it.

Encouragingly, all beneficiaries (100%) confirmed that they received assistance directly into their bank accounts, reflecting the effectiveness of the Direct Benefit Transfer (DBT) system in ensuring transparency, efficiency, and elimination of leakages in fund disbursement.

With respect to repayment behaviour, only 10 % of the respondents stated that were irregular in filling up their installments, whereas a majority of 90 % reported being regular in their repayments. This points to a generally disciplined repayment culture among beneficiaries, although the small proportion of defaulters suggests that challenges such as irregular income flows or financial stress may still be affecting some households. Furthermore, when asked about the fairness and affordability of the interest rate, 80 % expressed satisfaction, while 20% felt otherwise. This suggests that although most respondents consider the financial terms reasonable, a sizable minority continues to find the cost of borrowing burdensome.

This independence reflects well on the accessibility and simplicity of the loan process, particularly in rural and semi-urban areas. However, it may also point to a lack of structured support systems or facilitation desks that could further streamline or optimize the application journey, especially for less literate or first-time borrowers.

When asked about awareness of other NBCFDC schemes, responses were limited, indicating that despite availing a loan, most beneficiaries were not familiar with the broader bouquet of

loan products. This reveals a critical gap in outreach and awareness-generation efforts by implementing agencies.

G.4.1 Insurance and risk coverage

Out of the total 30 beneficiaries surveyed, only 3 (10%) were aware of the insurance component linked to the loan. The remaining 27 beneficiaries (90%) had taken private loans for their vehicles without being informed about or offered any insurance coverage. This low level of awareness highlights a significant gap in financial protection. In economically vulnerable households, insurance particularly health or life cover tied to loans can play a critical role in preventing families from sliding back into poverty during unforeseen crises. The fact that such a large proportion of borrowers remain outside the ambit of insurance underscores the urgent need for lending institutions to actively promote these products and for financial literacy initiatives to address this gap.

G.4.2 Creation of Asset

Table G.4.2.1

Purpose of Loan / Asset Created	Responses	Percentage (%)
Purchase of raw materials	0	0
Purchase of tools/machinery	0	0
Business expansion / additional space	30	100%
Working capital for day-to-day operations	0	0
Marketing and promotion	0	0
Training or skill development	0	0
Total	30	100%

The data shows that business expansion is the dominant purpose of loan utilisation, with 100% of beneficiaries directing the funds toward expanding or enhancing their business space or activities.

G.5 Analysis of the Perception-Based Assessment of Loan Experience and Impact through Likert Scale

To assess beneficiaries' perceptions and experiences, a set of Likert scale questions was included in the survey. Respondents were asked to rate their satisfaction with loan services, the impact of the loan on their social and economic well-being, and changes related to women's empowerment. Each set of statements was rated on a standard 5-point scale, tailored to the theme.

The findings from the Likert scale analysis have been shown through visualizations in their respective sections, given below:

G.5.1 Satisfaction with Loan Services

The responses on the questions in the Likert scale for this category have been tabled and the observations are given below.

Table G.5.1.1: Likert responses on questions relation to Satisfaction with Loan Services

Questions	Number of respondents for each rating					% of Beneficiaries per response				
	1	2	3	4	5	1	2	3	4	5
Satisfaction	0	0	3	4	5	0%	0%	25%	33%	42%
Assistance	0	0	1	7	4	0%	0%	8%	58%	33%
Time taken	0	1	1	7	3	0%	8%	8%	58%	25%
Interest rates	0	4	0	4	4	0%	33%	0%	33%	33%
Fund	0	0	2	8	2	0%	0%	17%	67%	17%
Amount of	0	2	2	6	2	0%	17%	17%	50%	17%
Loan	0	0	1	9	2	0%	0%	8%	75%	17%
Transparency	0	1	0	8	3	0%	8%	0%	67%	25%
Employee	0	2	0	2	8	0%	17%	0%	17%	67%
Guarantee	2	6	2	2	0	17%	50%	17%	17%	0%

Satisfaction with the Loan Scheme Availed

A large majority (84%) expressed satisfaction with the loan scheme (37% satisfied, 47% highly satisfied), while 17% remained neutral. This indicates the scheme is broadly well-received and meets borrower expectations.

Assistance and Guidance Provided by the Agency

About 93% rated the assistance positively (53% satisfied, 40% highly satisfied), with 7% neutral. This suggests agencies are playing a strong supportive role, though limited scope remains for additional handholding.

Time Taken for Loan Approval

Loan approval time was rated positively by 87% of beneficiaries (67% satisfied, 20% highly satisfied). Only 7% were neutral and 7% dissatisfied, reflecting generally efficient processing.

Interest Rates

Overall, 63% were satisfied with interest rates (33% satisfied, 30% highly satisfied), 17% were neutral, and 20% dissatisfied. While rates are acceptable for most, they remain a concern for a notable minority.

Fund Disbursement Process

Nearly 83% reported satisfaction with disbursement (60% satisfied, 23% highly satisfied), 17% were neutral, and 10% dissatisfied—indicating that funds generally reach beneficiaries without major hurdles.

Amount of Loan Disbursed

Satisfaction stood at 73% (53% satisfied, 20% highly satisfied), with 13% neutral and 13% dissatisfied. The neutrality suggests some beneficiaries may have expected higher amounts than sanctioned.

Loan Repayment Terms

A strong 87% rated repayment terms positively (67% satisfied, 20% highly satisfied), while 13% were neutral and none dissatisfied—pointing to broadly manageable schedules.

Transparency of Loan Terms

Transparency emerged as a key strength: 93% satisfied (60% satisfied, 33% highly satisfied) and 7% neutral, reinforcing trust in the process.

Employee Behaviour During Lending Process

About 83% reported satisfaction (20% satisfied, 63% highly satisfied), while 17% were dissatisfied. This underscores generally professional and supportive staff conduct.

Guarantee Requirements

This is the weakest area: 53% dissatisfied (13% highly, 40% dissatisfied), 27% neutral, and only 20% satisfied. Guarantee conditions appear to be a constraint for many beneficiaries.

G.5.2 Socio-Economic Standard of Living

The responses on the questions in the Likert scale for this category has been tabled and the observations are given below.

Table G.5.2.1: Likert responses on questions relating to Socio-Economic Standard of Living

Question	Number of Responses according to scale					% of Beneficiaries per response				
	1	2	3	4	5	1	2	3	4	5
Ability to	4	0	10	10	6	13%	0%	33%	33%	20%
Asset	0	6	18	6	0	0%	20%	60%	20%	0%
Clothing	0	0	20	10	0	0%	0%	67%	33%	0%
Food and	0	0	25	5	0	0%	0%	83%	17%	0%
Household	0	6	14	10	0	0%	20%	47%	33%	0%
Overall	0	5	15	6	4	0%	17%	50%	20%	13%

Ability to Repay Debts: Most beneficiaries reported reasonable repayment capacity: 53% were satisfied/highly satisfied (33% satisfied, 20% highly satisfied), 33% were neutral, and 13% reported dissatisfaction. Overall, repayment ability appears moderately strong, with a small segment facing stress.

Asset Ownership: Responses skewed to the middle: 60% neutral, 20% satisfied, and 20% slightly dissatisfied. This indicates limited but uneven progress in asset creation, with many beneficiaries yet to see clear gains.

Clothing Standards: Perceptions are modest: 33% satisfied and 67% neutral, with no dissatisfaction. This suggests incremental improvements rather than transformative change.

Food and Nutritional Standards: Only 17% were satisfied while 83% remained neutral; no dissatisfaction recorded. Nutrition appears stable to slightly improved, but not strongly perceived as adequate.

Household Savings: Satisfaction stood at 33%, 47% were neutral, and 20% slightly dissatisfied. This points to modest, uneven gains in savings—likely influenced by repayment obligations and income variability.

Overall Living Standards: About 33% reported satisfaction (20% satisfied, 13% highly satisfied), 50% were neutral, and 17% slightly dissatisfied. A plurality sees some improvement, though the overall perception remains moderate rather than strongly positive.

G.6 Key discussion points with the SCA

a. Interest Rates, Recovery Issues, and Guarantor Requirements

- The SCA highlighted that the interest rates for beneficiaries have increased, leading to a rise in default rates. The burden of providing guarantors—particularly for loans above ₹10 lakhs—has also emerged as a key challenge.

For larger loans, three guarantors are required (two from the government and one from the private sector), whereas for smaller loans, two guarantors are needed. The SCA emphasized that this requirement often acts as a barrier for beneficiaries.

- In cases where loan recovery is affected due to natural calamities or unforeseen hardships, the SCA currently offers certain relaxations; however, it has requested that NBCFDC consider waiving the interest component in such instances.

b. Awareness Generation and Outreach Activities

- It was observed that the number of beneficiaries under the scheme remains limited. According to the SCA, two primary factors contribute to this trend: firstly, a lack of structured outreach and awareness regarding the availability of such loans; and secondly, constraints in the corpus allocated to the SCA. The SCA emphasized that the existing upper ceiling of the corpus needs to be enhanced to attract and accommodate a larger pool of eligible beneficiaries.

- A predominant share of the loans disbursed were found to be concentrated in the transport sector, which aligns with Goa's tourism-dependent economy. However, there was a notable absence of loan uptake for restaurants, homestays, or other small businesses. The SCA pointed out that this is due to a lack of awareness and understanding among potential beneficiaries regarding the viability, processes, and benefits of running such enterprises. They highlighted

the need for comprehensive handholding and capacity-building support to encourage entrepreneurship beyond the transport sector.

- To address these challenges, the SCA has proposed an Action Plan that includes the organization of six awareness camps and trainers' programmes over the course of one year. While some Panchayats are engaged in awareness activities, the SCA stressed the need for additional funding support for training materials, IEC (Information, Education, and Communication) resources, and broader outreach efforts. It was also suggested that NBCFDC consider earmarking funds specifically for the development and dissemination of awareness modules under its lending programmes.

c. Recovery Mechanisms and New Patterns

- The SCA has a recovery mechanism of 98%.
- New patterns for recovery have been proposed, such as recovery against Fixed Deposits (FDs) or LIC policies, especially in cases where beneficiaries are unable to repay. It was noted that three notices are typically issued before initiating recovery.
- The SCA also proposed that interest rate sharing should be considered between NBCFDC and the State Government, particularly where recovery is delayed due to hardship or external reasons.

d. Standardization and Capacity Building

- The SCA recommended enhanced focus on standardization of data input formats, real-time access systems, and ICT-based software for loan monitoring, recovery, and reporting.
- They also highlighted the need for training sessions from the NBCFDC for SCA staff, especially those directly handling beneficiary cases, to ensure effective implementation and governance of the loan schemes.

e. Loan Structuring, Microcredit, and Living Costs in Goa

- The cost of living in Goa is relatively high, and the minimum loan size typically ranges between ₹1.5 to ₹2.5 lakh. The SCA reported that beneficiaries are not entirely illiterate, and most have the basic know-how and documentation such as vehicle papers.
- It was proposed that the microcredit loan size be increased and that the best performing SCAs be awarded for efficient implementation.

G.7 Non- Beneficiary Analysis

With respect to non-beneficiaries, the intended sample could not be covered as no identified cases of rejected applicants or eligible individuals who were denied loans were available through the implementing agency. The State Channeling Agency (SCA) clarified that applications are generally not rejected; rather, they are placed on hold due to the limited fund allocation available each year. Once the subsequent year's funds are released, these waiting applicants are contacted and provided support. It is also noteworthy that vehicle and associated

costs have increased substantially in recent years. In a tourist- driven economy like Goa, where luxury vehicles play a vital role in attracting customers and generating higher income compared to standard vehicles, the current level of funding remains inadequate. Expanding the annual fund allocation would therefore enable a larger number of beneficiaries to be supported, enhancing both livelihood opportunities and overall program impact.

G.8. Impact Assessment of NBCFDC Lending Schemes in Goa: A Parameter-Based Synthesis

Economic Upliftment and Financial Stability

The NBCFDC lending schemes in Goa have demonstrated moderate success in promoting financial stability and modest economic advancement. A significant share of beneficiaries fall in the ₹20,000– ₹30,000 income bracket (58.3%), with an average monthly income of ₹28,333 and average household expenditure of ₹17,083. This positive income-expenditure gap indicates prudent financial management and repayment capacity among the beneficiaries. However, wealth accumulation and transformative economic growth remain limited. Only a few respondents reported substantial profit gains, while others experienced marginal or seasonal income, revealing a mixed picture of long-term financial upliftment.

Loan Utilization Efficiency and Repayment Behaviour

Loan utilization was largely efficient, with 91.7% of beneficiaries deploying the funds toward business expansion, particularly in the transport sector. Despite this high utilization alignment, investments in tools, raw materials, or marketing remained low. The use of funds was pragmatic, targeting sectors like passenger transport and small-scale mobility services. Repayment behaviour was found to be generally positive, supported by consistent income generation and manageable expenditure. The SCA reported a 98% recovery rate, highlighting effective collection mechanisms and borrower discipline. However, the need for government-employed guarantors poses a barrier for some potential applicants.

Entrepreneurial Outcomes and Business Sustainability

The schemes have enabled beneficiaries to pursue micro-enterprise opportunities, with a strong skew toward self-employment in the transport sector. The dominance of loans for Ertiga vehicles (over 55%) and other commercial vehicles underscores this trend. While this has supported immediate income generation, only a small number of businesses have scaled sustainably or diversified. Post-loan asset creation, such as vehicle ownership, was observed, but sustained entrepreneurial growth remains a challenge due to limited market access, seasonal fluctuations (notably Goa's monsoon), and a lack of post-loan business handholding. Employment generation was also minimal, with only two beneficiaries hiring workers.

Social Impact and Empowerment

The scheme has contributed positively to social outcomes such as residential security, with 100% of beneficiaries living in self-owned houses and having access to electricity and water. A majority also reported modest savings post-loan. However, gender inclusivity remains low, with only 8.3% of beneficiaries being women. While the schemes reached semi-literate and

economically active individuals (most aged 31–50 and with secondary education), there is scope to enhance outreach to underrepresented and vulnerable groups. Health access was mixed, with reliance equally on state and private services, and relatively low uptake (16.6%) of Ayushman Bharat, reflecting a gap in convergence with centrally sponsored health schemes.

Institutional Accessibility and Implementation Efficiency

The implementation of the NBCFDC schemes in Goa reflects strong alignment with state-level development needs but also reveals critical areas for improvement. Most beneficiaries accessed loans via offline channels and learned about the scheme through word-of-mouth, indicating limited structured awareness campaigns. The application-to-disbursal process was efficient, with sanctioned amounts closely matching the applied figures. However, the SCA highlighted concerns regarding high interest rates and the burden of multiple guarantor requirements. The demand for standardization, digitization, and staff training was emphasized to enhance delivery efficiency. A proposed action plan by the SCA includes awareness camps and training modules to strengthen institutional outreach and beneficiary readiness.

G.9 Success Story



Name of SCA	Goa State Scheduled Castes & Other Backward Classes Finance & Development Corporation Ltd
Name of Scheme	Term Loan (Transport Sector)
Name of Beneficiary	Shri Sudan M. Talavnekar
Complete Address	H. No:706, Khalnhat, Daaduchiwadi, Dhargal, Pernem - Goa
Loan Amount Requested	1425000
Loan Amount Received	1425000
Date of Disbursement	2022
Monthly Income before & after taking Loan	10,000/- (before) To 20,000 – 25,000/- (after)
Purpose of Loan	Working Capital for Grocery Store
Contact Number	9545430286

Sudan, a resident of Goa, exemplifies how timely financial support and determined effort can transform a modest livelihood into a sustainable enterprise. Formerly working as a taxi driver, Sudan's income was barely sufficient to support his wife and two children. With limited means and growing responsibilities, he aspired to expand his scope of work in the transport sector but lacked the resources to do so.

In 2021, Sudan availed a loan of ₹14,00,000 the Goa Scheduled Caste and Scheduled Tribe Financial and Development Corporation under the NBCFDC lending scheme. This pivotal financial assistance enabled him to purchase a dumper, marking the beginning of transition from a daily wage earner to an independent transport service provider.

With the income generated from the dumper, Sudan gradually reinvested in his business and expanded his operations. He now owns two in addition to the dumper, thereby running a small yet successful transport business. The income streams have not only increased his monthly earnings but have also allowed him create a financial buffer for lean periods, especially during the monsoon season when transport is adversely affected.



Despite the seasonal slowdown, Sudan has ensured financial stability by cultivating the habit of saving during profitable months. His journey reflects a commendable balance between risk-taking and prudent financial management. Most importantly, the establishment of a steady and independent source of income has significantly improved the standard of living for his family, enabling better education and household security for his children.

Sudan's story is a testament to the role that NBCFDC- supported schemes play in fostering entrepreneurship among marginalized communities.



State Report

Gujarat



State Report -Gujarat

G.1. Background of Gujarat Thakor and Koli Vikas Nigam (GTKVN) and Gujarat Gramin Bank

The Gujarat Thakor and Koli Vikas Nigam (GTKVN) is a state government-owned public company dedicated to the socio-economic and educational upliftment of the Thakor and Koli communities in Gujarat. Established on September 19, 2003, and headquartered in Gandhinagar, GTKVN functions under the guidance of the Government of Gujarat to implement targeted welfare schemes and development initiatives. With an authorized share capital of Rs 25 crore and a paid-up capital of Rs 18.11 crore, the Nigam supports programs in education, skill development, self-employment, and social welfare. It receives financial support from the state government as well as the National Backward Classes Finance & Development Corporation (NBCFDC). Through its initiatives and dedicated online portal, GTKVN aims to empower marginalized sections of these communities, ensuring inclusive growth and improved access to opportunities.

Gujarat Gramin Bank (GGB) is a Regional Rural Bank operating across the state of Gujarat, established with the objective of strengthening financial inclusion in rural and semi-urban areas. Sponsored by State Bank of India and Bank of Baroda, GGB is jointly owned by the Government of India, the Government of Gujarat, and its sponsoring banks. It was formed through the amalgamation of multiple Gramin Banks, bringing together their resources and expertise to better serve the rural economy. With a wide network of branches, GGB plays a crucial role in providing accessible banking services to farmers, small businesses, and other rural stakeholders. The bank focuses on agricultural lending, microfinance, and supporting rural livelihoods, ensuring that underserved communities gain access to credit, savings, and other essential financial products.

G.2. Disbursement Patterns of NBCFDC Loans in the State for FY 2020-23

As per the data provided by the SCA, 8682 beneficiaries have been given loans under NBCFDC loan categories during the period of 2020-23. Out of these, 24.2% of the loans has been given under Term loan in the individual loan category and 75.8% of the loans has been given under Cash Credit. Out of the 8682 beneficiaries in the state, 6581 beneficiaries have been given loans under the agriculture/allied sector under Cash Credit, 2028 beneficiaries have been given loans under Pasupalan as Term loan and the remaining 73 have been given loans under the small Loan category as small business/traditional occupation under the Term Loan.

The distribution of beneficiaries across the districts of Gujarat for the years 2020-23 is given below:

Table G.2(a): Distribution of beneficiaries for the years 2020-23

S. No.	Districts	Number of Beneficiaries
1	Amreli	219
2	Anand	2
3	Aravalli	438
4	Banas Kantha	568
5	Barvala	1
6	Bayad	1
7	Bhabhar	3
8	Bhavnagar	821
9	Botad	646
10	Dahod	7
11	Deesa	4
12	Deodar	1
13	Devbhumi Dwarka	3268
14	Dhansura	1
15	Gandhinagar	165
16	Gir Somnath	96
17	Jamnagar	41
18	Junagadh	192
19	Kalol	1
20	Kankarej	3
21	Kheda	173
22	Lakhani	2
23	Limbadi	3
24	Mahesana	40
25	Mahisagar	120
26	Malpur	2
27	Mansa	2
28	Modasa	1
29	Morbi	90
30	Palanpur	11
31	Panchmahal	1
32	Patan	184
33	Porbandar	86
34	Prantij	1
35	Rajkot	98
36	Sabar Kantha	200
37	Saraswati	1
38	Singvad	1
39	Surendranagar	1186
40	Talod	1
41	Vinchhiya	1

Out of the total beneficiaries who have benefitted from the loan 1196 are females and 7486 are Males. The maximum amount of loan disbursed in Rs 2,00,000 lakhs and the minimum amount is Rs 30,000 thousand.

The activities in which beneficiaries have been given the loans in are as follows:

Table G.2(b): Activities in which beneficiaries have been given the loans for the year 2020-23

Activity	Number of Beneficiaries
Agriculture And Allied	6581
Pashupalan	2028
Diamond Work	14
Mandap Decoration	19
Readymade Garment	7
Computer Job work	6
Electronics Device Repairing	2
Footwear Shop	2
Ice Cream Parlour and Thanda Pani	5
Photography Or Videography	1
Provision Or General Kariyana Stores	6
Whole Sale Agency	1
Auto Repairing	2
Carpentar	1
Cutlery Store	3
Animal Food Selling	2
Santing Work	2

G.3. Sample Population and Design

A sample size of 140 beneficiaries and 71 non-beneficiaries was determined in consultation and as per the terms of reference given by NBCFDC for the state of Gujarat as per the sampling plan for the study. All beneficiaries were interviewed based on the list of beneficiaries given by the SCA.

Beneficiaries were covered from districts of Botad and Surendranagar. The interviews were done through the Kobo tool and a structured closed ended questionnaire.

G.3.1. Sample Design Selection of Districts

The state of Gujarat was selected for this evaluative study as per the proposed sampling plan. State Channelizing Agency selected for this evaluation was Gujarat Thakor and Koli Vikas Nigam (GTKVN) and Gujarat Gramin Bank (GGB). Therefore, the districts for which consent was received became part of the present study. These districts were selected in consultation with the SCA.

G.3.2. Sources of Data

This was an empirical study intending for an evaluation of the lending schemes already implemented. The list of the beneficiaries for Term Loan Schemes, General Loan Schemes, etc., of NBCFDC for the period of study (2020-23) was shared by SCA which comprised the name and other details of the beneficiary of the loan schemes. All the willing beneficiaries were contacted through the State Channelizing Agency and were verified from the available list of beneficiaries.

The evaluation for various other parameters like the utilization ratio, loan recovery ratio/mechanism, number of defaulters and the mechanism of monitoring done for these loans by the SCAs has been collected through the questionnaires in Kobo toolbox. Additionally, information has also been gathered from their websites and annual reports.

G.4. Key Impressions and Insights from Field Survey

Based on field observations, several key insights emerged regarding the operational practices and effectiveness of NBCFDC's loan implementation through the State Channelizing Agency (SCA).

G.4.1. Gujarat Gramin Bank (GGB)

- It was noted that **all loans disbursed fall under the General Loan category**, with no diversification into other lending products. Most of the loans were concentrated in agriculture and allied activities, primarily because no applications were received for other loan categories. This was largely due to a lack of awareness about the available schemes. Additionally, around 95% of the beneficiaries belonged to agricultural backgrounds, making agriculture the natural choice. The preference was further reinforced by the **lower chances of rejection for agriculture-related loan applications**.
- In most cases, **land is kept as a record** or security for the loan, ensuring repayment. Beneficiaries are not permitted to sell or transfer ownership of the land until the loan is fully repaid. This condition is clearly communicated at the time of disbursement and acts as a safeguard for the lending institution and the borrower. It also reinforces accountability and discourages default.
- Another critical finding was that there exists a **difference between the amount applied for and the amount actually disbursed**, which is attributed to the **subvention component**. Under the Agriculture KCC loan, beneficiaries are provided loans up to the subvention limit at a 0% rate of interest. This interest subvention—up to ₹3 lakh or the scale of finance per hectare—is supported by a 7% subsidy, with 3% from NABARD and 4% from the Gujarat Government. Any loan amount above the eligible subvention limit is disbursed through NBCFDC at applicable interest rates.
- Another critical finding was that the **minimum sanctioned loan amounts are often too small to enable sustainable income generation**. Beneficiaries receiving smaller amounts reported that these were insufficient to establish viable economic activities. In contrast, loans **of ₹1,00,000 and above were reported to be more effective in meeting livelihood needs**, contributing more meaningfully toward business sustainability and income security.

G.4.2. Gujarat Thakor and Koli Vikas Nigam (GTKVN)

- The **Welfare Office acts as a mediator** between beneficiaries and lending institutions, assisting with application processes, documentation, and coordination. It helps bridge information gaps and ensures smoother access to loan schemes.

- A recurring issue observed was that **significant gap in beneficiary awareness regarding the loan repayment process and the applicable exact rate of interest**. Most beneficiaries lacked clarity on when and how to repay their loans. Although **SCA officials mentioned that they occasionally conduct repayment camps**, there is no formal or consistent mechanism in place. As a result, despite these efforts, beneficiaries remain largely uninformed about the repayment procedure, underscoring the need for clearer communication and structured follow-up. This highlights the urgent need for **enhanced counselling by the SCA** on the importance of insuring productive assets and the procedural steps to maintain coverage.

- Another critical finding was that the **difference between the loan amount applied for and the amount actually disbursed** often represents the first instalment of repayment, deducted upfront as per the scheme criteria. This adjustment is a part of the loan structure and not an irregularity. Beneficiaries are provided with all necessary documents, including the sanction order, rate of interest details, repayment form, and information regarding the first instalment deduction. Thus, the process remains transparent, with beneficiaries receiving a complete set of documentation at the time of disbursement.

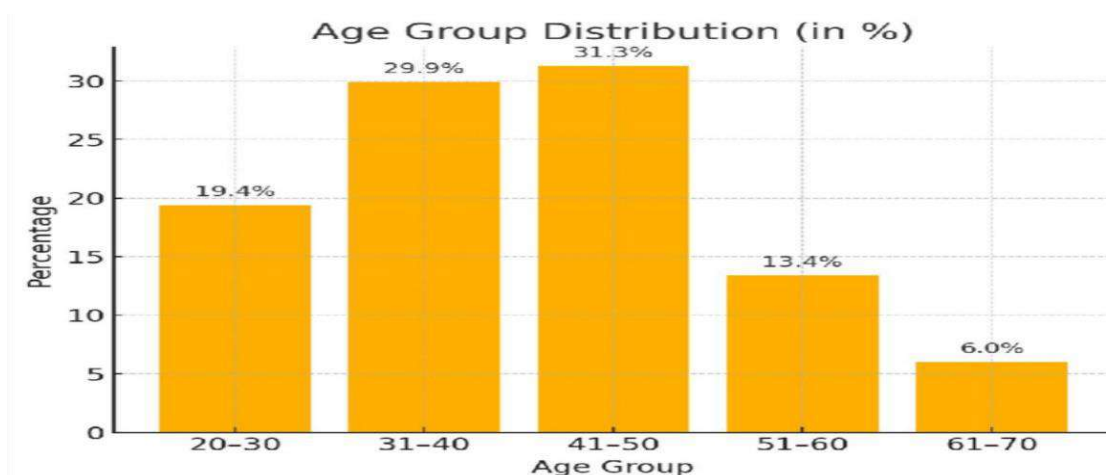
- Importantly, the **SCA does not conduct any post-disbursement verification** to ensure that the loan has been used for the intended purpose. The absence of **loan utilization checks** presents a risk of fund diversion and undermines the intended impact of the scheme. This calls for the establishment of a basic monitoring protocol to assess end-use compliance and strengthen accountability in the lending process.

G.5. Analysis of the Socio-Economic Parameters

G.5.1. Age Group Distribution

The age distribution shows a concentration in the working-age population. 19.4% of the surveyed beneficiaries belong to the age of 20-30 years, 29.9% belong to the group of 31- 40 years, 31.3% belong to the 41-50 years age group, and 19.4% were above 51 years.

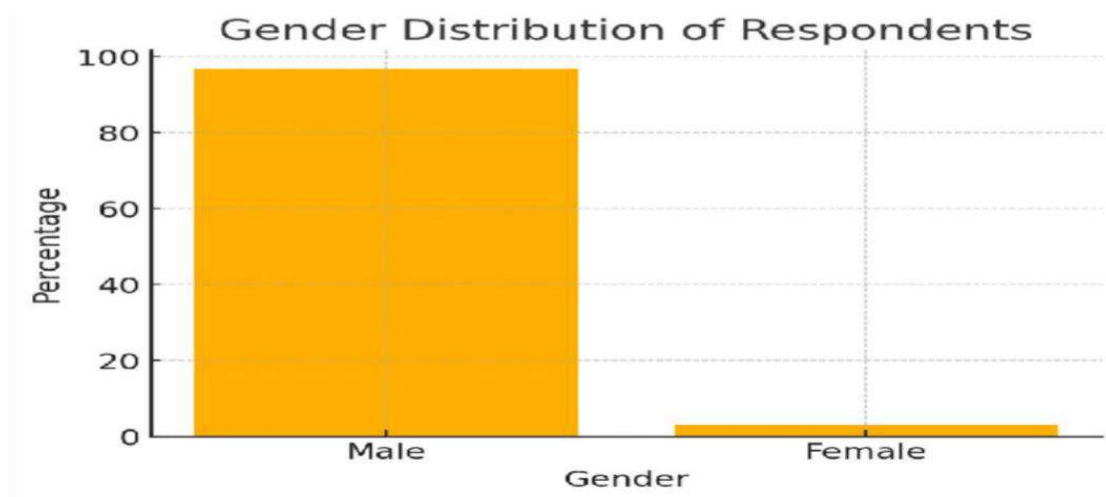
Figure: G.5.1.1



G.5.2. Gender

Among the respondents, only 3% are female, while 97% are male. This indicates significantly low participation by women, suggesting the presence of substantial gender-based barriers—such as limited access to information, mobility constraints, or prevailing socio-cultural norms. The data highlights the urgent need for more focused gender-sensitive outreach and interventions to ensure that women are not left out of financial inclusion and empowerment initiatives.

Figure: G.5.2.1

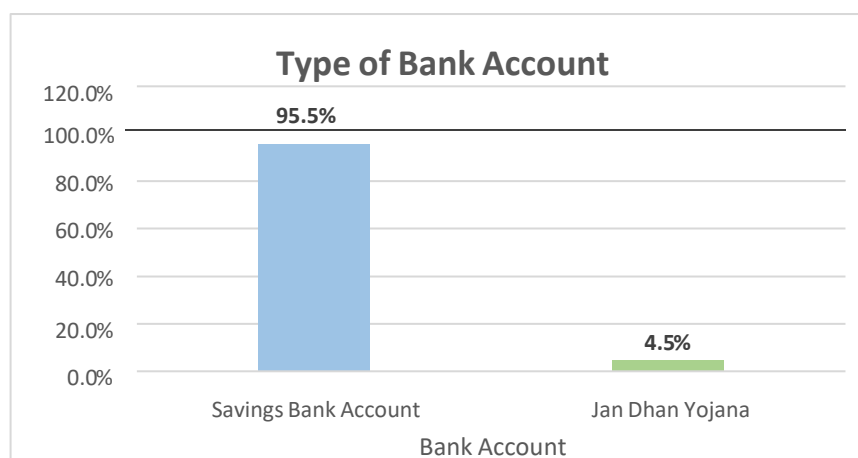


G.5.3. Aadhaar Card Ownership

Every single respondent (100%) has an Aadhaar card, confirming full coverage in terms of national identification. This is a crucial enabler for accessing benefits and indicates that identity-linked schemes can be efficiently administered within this group.

G.5.4. Type of Bank Account

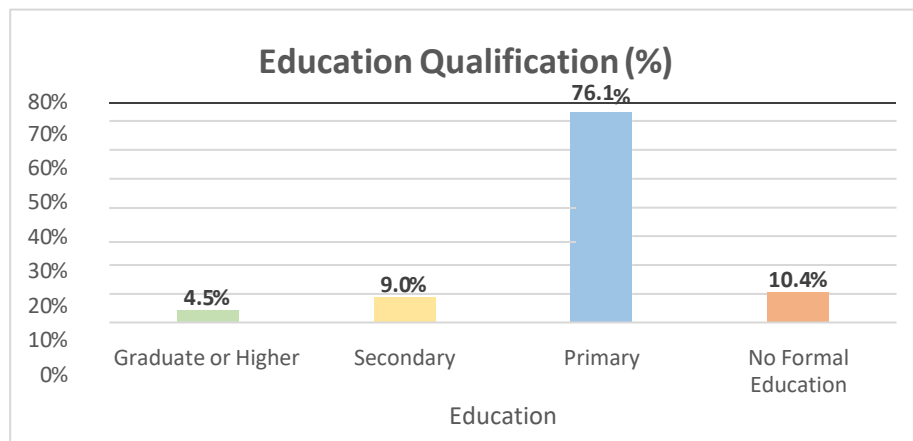
Figure: G.5.4.1



Among the respondents, 95.5% use regular savings bank accounts, while only 4.5% rely on Jan Dhan Yojana accounts. This points to a strong preference for mainstream banking services, indicating progress in financial inclusion beyond basic zero-balance schemes and reflecting greater integration into the formal banking system.

G.5.5. Education Level

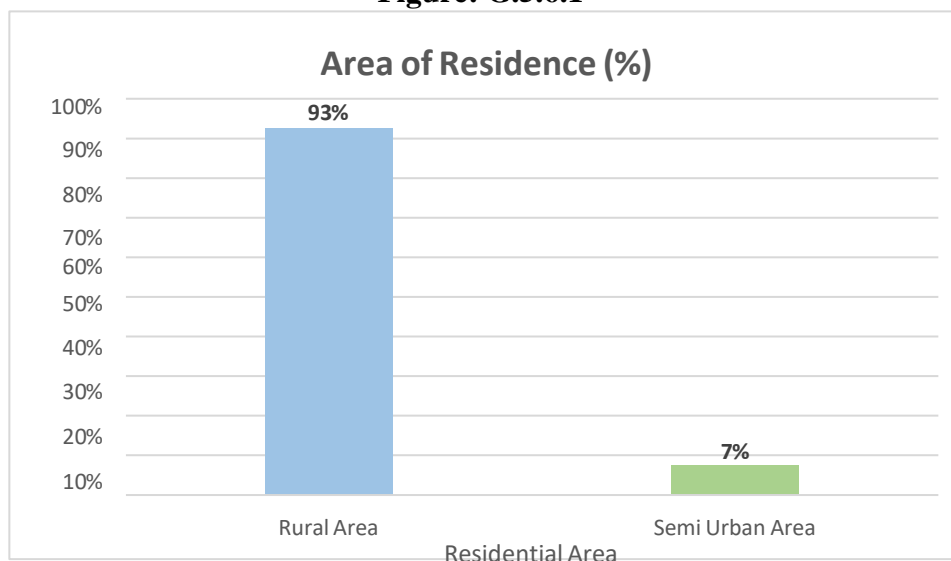
Figure: G.5.5.1



Among the respondents, 4.5% are educated up to Graduation or higher level, 9% up to secondary level, 76.1% up to primary, and 10.4% have no formal education. This indicates strong participation by individuals with primary education, suggesting the scheme effectively reaches low-literacy segments likely engaged in unskilled or low-skilled occupations, and underscores the importance of designing accessible and easy-to-navigate program features.

G.5.6. Residential Area

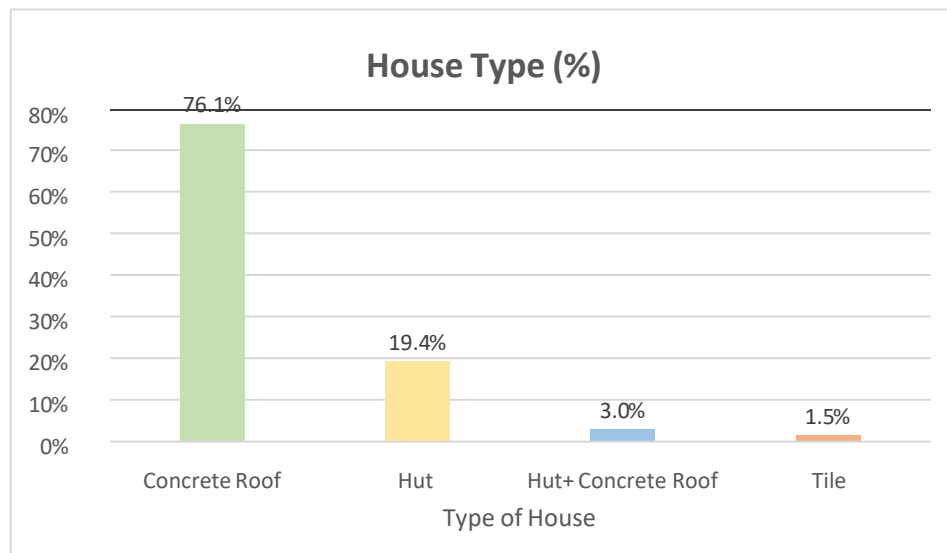
Figure: G.5.6.1



Among the respondents, 93% live in rural areas and 7% in semi-urban areas. This suggests that the scheme has a strong rural outreach, likely driven by focused implementation efforts in villages and smaller settlements. The small share from semi-urban areas indicates some level of spread beyond core rural zones, but also points to the need for further engagement in peri-urban and transitioning regions.

G.5.7. Type of House

Figure: G.5.7.1



Among the respondents, 76.1% reside in concrete-roofed houses, 3% in semi-permanent structures combining huts with concrete roofs, while 19.4% live in Huts. This reflects a substantial proportion of beneficiaries living in relatively secure housing, suggesting a stable or semi-stable socio-economic foundation for many, though a notable share still resides in vulnerable or semi-permanent dwellings, pointing to varying degrees of housing security among beneficiaries.

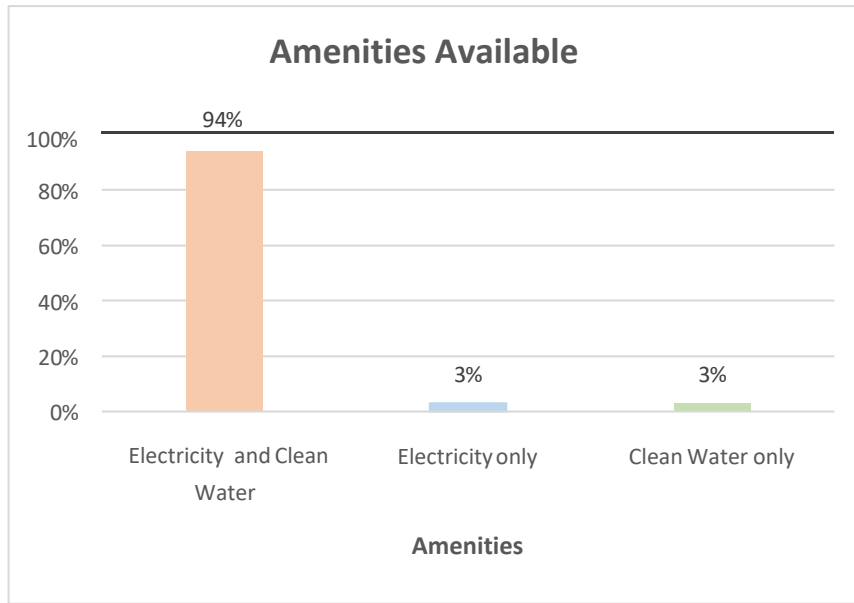
G.5.8. Ownership of Residence

Among the respondents, 99% live in self-owned houses, while only 1% reside in rental accommodations. This reflects residential security among beneficiaries, often considered a positive factor for financial eligibility and loan recovery potential.

G.5.9. Electricity and Water Availability at Home

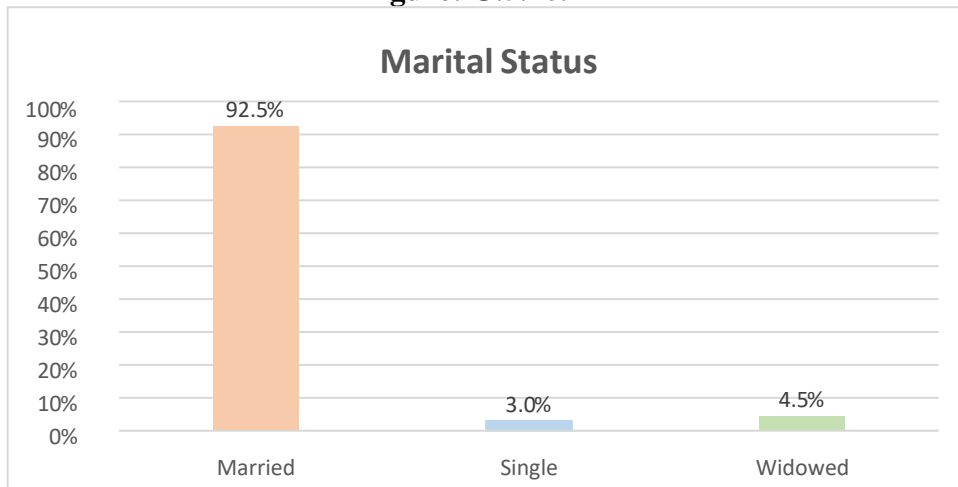
94% of beneficiaries reported access to both electricity and clean water, indicating a high level of basic infrastructure availability among the surveyed population. An additional 3% have access only to electricity, and another 3% only to clean water. While the overwhelming majority enjoy both amenities, the presence of households with access to only one highlights minor but important gaps in infrastructure coverage that may require targeted interventions to ensure full and equitable access.

Figure: G.5.9.1



G.5.10. Marital Status

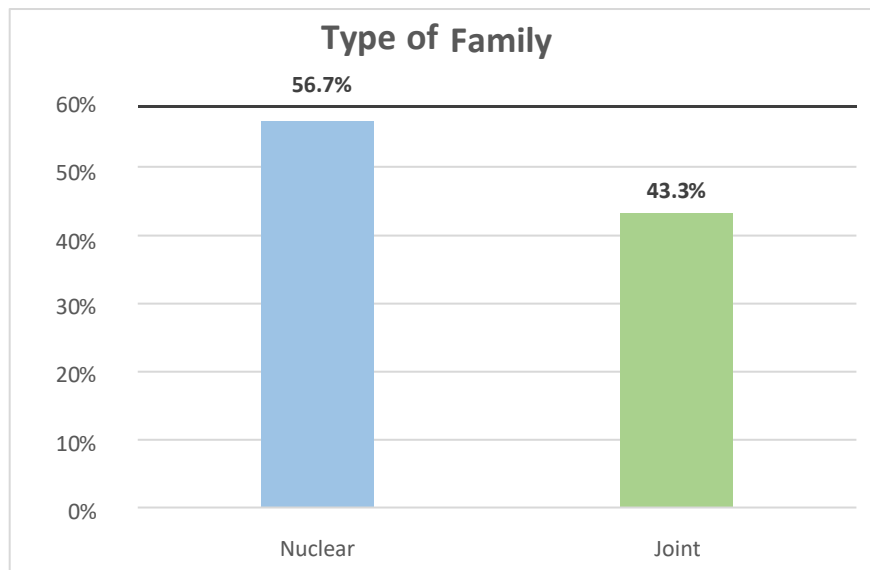
Figure: G.5.10.1



A significant majority of respondents—92.5%—identified as married, suggesting that NBCFDC schemes are largely benefiting family-oriented individuals who are likely primary or joint contributors to household income and well-being. A small proportion, 3%, are single, reflecting some outreach to independent individuals, potentially including young adults or aspiring entrepreneurs. Additionally, 4.5% of beneficiaries are widowed, representing a particularly vulnerable group that may benefit from more focused and supportive interventions.

G.5.11. Nature of Family

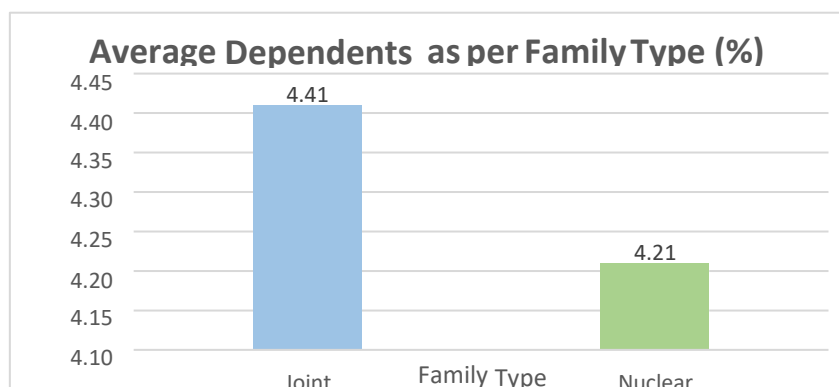
Fig G.5.11.1: Nature of Family



The distribution of beneficiaries shows a greater share from nuclear families (56.7%) compared to joint families (43.3%), suggesting that NBCFDC schemes are more commonly accessed by smaller, independent household units. This distribution also reflects a shift toward nuclear family setups, while still maintaining considerable outreach to traditional joint families within the target population.

When comparing the number of dependents, joint families have a slightly higher average at 4.41 dependents, while nuclear families average 4.21 dependents. Although the difference is not very large, it is consistent with expectations—joint families often include extended members such as parents, in-laws, or siblings, increasing dependency.

Fig G.5.11.2: Average Dependents as per Family Type



G.5.12. Annual Family household Income Pre-loan and post-loan

Table G.5.12.1: Annual Family Household Income before uptake of loan

Income Levels	Response	Percentage
Below 1.5 Lakh	52	37%
1.5 – 2.25 Lakh	68	49%
2.25 – 3 Lakh	20	14%
Total Count	140	100%

As shown in the Table G.5.12.1 above, the income profile shows that a majority of beneficiaries fall within the middle-income bracket of Rs 1.5–2.25 lakh annually, accounting for 49% of the respondents. Another 37% earn below Rs 1.5 lakh, indicating a significant proportion of low-income households. Only 14% fall within the Rs 2.25–3 lakh range, suggesting that relatively fewer beneficiaries belong to the higher end of the assessed income spectrum.

Table G.5.12.2: Annual Family household Income Post loan uptake

Income Levels	Response	Percentage
Below 1.5 Lakh	32	23
1.5-2.25 Lakh	52	37
2.25 Lakh -3 Lakh	25	18
3 Lakh -6 lakh	24	17
>6 lakh	7	5
Total count	140	100%

Table G.5.12.2 shows the post-loan income distribution indicates a noticeable upward shift in the economic standing of beneficiaries. While 23% of respondents still fall below the Rs 1.5 lakh annual income bracket, the largest proportion—37%—now lies in the Rs 1.5–2.25 lakh range, showing improved income stability. Additionally, 18% earn between Rs 2.25–3 lakh, and another 17% have moved into the Rs 3–6 lakh bracket, reflecting substantial income growth among many households. Notably, 5% of beneficiaries now earn above Rs 6 lakh annually.

Table G.5.12.3: Change in Income Levels: Pre vs. Post Loan Uptake

Income Level	Pre-Loan (%)	Post-Loan (%)	Point Change %
Below 1.5 Lakh	37%	23%	↓ 14
1.5 – 2.25 Lakh	49%	37%	↓ 12
2.25 – 3 Lakh	14%	18%	↑ 4
Above 3 Lakh	0%	22%	↑ 22
Total	100%	100%	

The income distribution shows a substantial upward shift after loan uptake. The proportion of beneficiaries in the lowest income slab (below Rs 1.5 lakh) decreased sharply from 37% to 23%, while those in the Rs 1.5–2.25 lakh range also reduced from 49% to 37%, indicating that many households moved out of the lower-income groups. At the same time, beneficiaries in

the Rs 2.25–3 lakh bracket increased slightly from 14% to 18%. Most notably, there was a significant rise in the higher-income category (above Rs 3 lakh), which grew from 0% pre-loan to 22% post-loan. This pattern clearly demonstrates that loan assistance contributed to meaningful income enhancement, enabling a considerable proportion of households to transition into higher income Average Household Monthly Income Pre vs Post Loan Uptake (in Rs.)

The average monthly household income increased from Rs 15,000 before availing the loan to Rs 20,000 after the loan, reflecting a significant improvement in the economic status of beneficiaries. This rise represents an approximate 33% increase in monthly income, indicating that the loan played a substantial role in enhancing earning capacity.

G.5.13. Employment Status

Table G.5.13.1: Employment Status

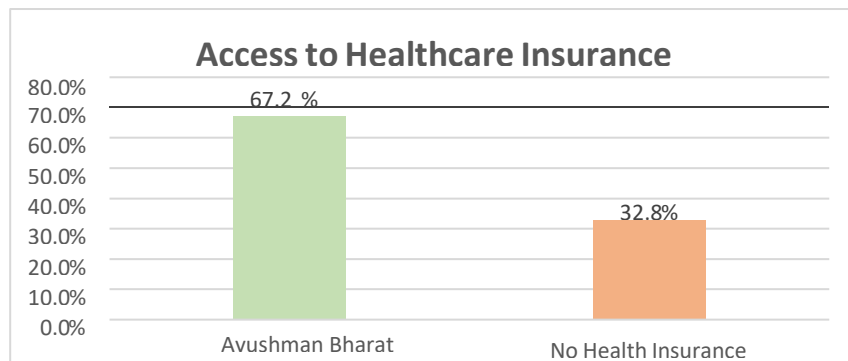
Employment Status	Response	Percentage
Business failure due to personal reasons	6	4
self employed	134	96
Unemployed	0	0
Student	0	0
Total	140	100

The distribution of employment status among beneficiaries highlights a clear predominance of self-employment, with approximately 96% engaged in self-driven occupations. This suggests that NBCFDC schemes are effectively reaching individuals involved in small businesses or informal economic activities, underscoring the program’s strong alignment with grassroots entrepreneurship. Only 4% of respondents reported business failure due to personal reason.

In terms of household earning dynamics, 79% of respondents identified themselves as the primary earners, reflecting a high level of individual economic responsibility and self-reliance. An additional 16% fall into a mixed category, where earning responsibilities are shared with spouses, sons, or other named individuals, indicating collaborative income generation within households. About 3% reported that the whole family, including the respondent, contributes to household earnings, and 1% of respondents do not earn at all, primarily due to being senior citizens. This variation in earning patterns demonstrates the scheme’s broad relevance across diverse household structures and income sources, effectively supporting both individual and family-led economic units.

G.5.14. Healthcare Access

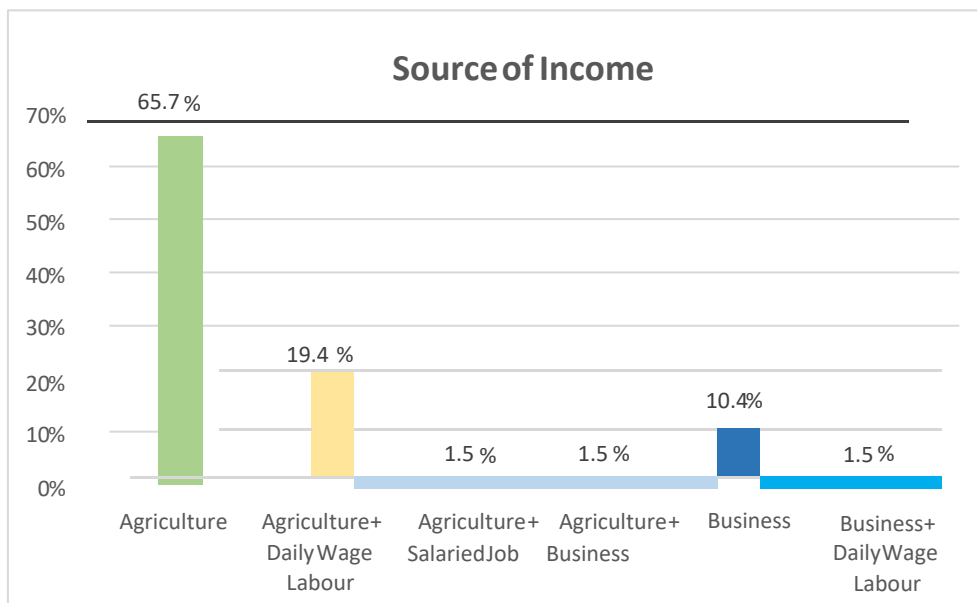
Figure G.5.14.1



Approximately 67.2% of respondents reported having access to some form of health insurance, primarily through Ayushman Bharat cards, with no evidence of additional personal or private health insurance coverage. The remaining 32.8% of beneficiaries reported having no access to any form of health insurance. Despite the presence of insurance coverage, several respondents reported challenges in availing healthcare benefits, primarily due to limited healthcare infrastructure in their villages, which are typically served only by Primary Health Centres (PHCs). These PHCs often lack the capacity to handle serious medical conditions, and the nearest hospitals are located several kilometres away. This points to a significant implementation gap—while insurance coverage exists in principle, it does not effectively translate into accessible or adequate healthcare services on the ground.

G.5.15. Nature of Work before uptake of loans

Figure: G.5.15.1 Source of Income



Agriculture is the dominant livelihood source, accounting for 65.7% of respondents. This clearly reflects the agrarian nature of the target population and indicates that NBCFDC schemes are primarily reaching rural, farming-based households.

A Significant 19.4% of beneficiaries derive income from both agriculture and daily wage labour, suggesting a reliance on supplementary unskilled work to sustain livelihoods, possibly due to seasonal instability or limited agricultural earnings. Business as a standalone source supports 10.4% of the respondents, indicating a presence of small or micro-enterprise activity among the beneficiaries. This reflects the potential for entrepreneurial development within the community.

The remaining income sources are marginal, with only 1.5% each reporting combined income from:

- Agriculture + Salaried Job
- Agriculture + Business
- Business + Daily Wage Labour

These small segments reflect a degree of diversification, though limited in scale. The low proportion of salaried employment also reinforces the informal, self-employed nature of the respondent base.

The income distribution highlights that the NBCFDC schemes are predominantly benefiting individuals engaged in agriculture and informal livelihoods. While there is some entrepreneurial and mixed-income activity, the overall dependence on agriculture and wage labour underscores the importance of targeted financial and skill-based interventions to enhance income stability and promote economic diversification.

G.6. Analysis of the Loan Access, Utilization, and Impact Assessment

G.6.1. Time taken by the beneficiaries in obtaining loans from the SCA

Table G.6.1.1: Time taken by the beneficiaries in obtaining loans from the SCA

Month Range	Responses	Percentage
Up to 4 months	76	54%
4-6 months	17	12%
More than 6 months	46	33%
Can't Recall	1	1%
Total Response	140	100%

The distribution of responses highlights a mixed picture regarding the efficiency of loan sanctioning. Out of the 140 beneficiaries, a little over half (76 respondents, 54%) reported receiving their loans within up to 4 months of application. This indicates that the process was relatively efficient for a significant share of beneficiaries.

However, delays were notable in a substantial number of cases. About 17 respondents (12%) had to wait between 4–6 months, while a sizeable proportion—46 beneficiaries (33%)—

reported that their loans took more than 6 months to be sanctioned. Such delays may have affected timely utilization of financial support by these households. Only 1 respondent (1%) could not recall the time taken for loan sanction. Overall, while more than half of the beneficiaries accessed credit in a reasonable timeframe (within four months), the findings suggest that nearly one-third faced considerable delays beyond six months, pointing to a need for further streamlining of the loan sanctioning process.

G.6.2. Purpose of Uptake of loan

Table G.6.2.1: Purpose of uptake of loan

Question	Purpose of uptake of loan	
Responses	Purchase tools and machinery	52
	% of beneficiaries	37%
	Purchase of raw materials	50
	% of beneficiaries	36%
	Business expansion	22
	% of beneficiaries	16%
	Working Capital	8
	% of beneficiaries	6%
	Marketing and promotion	6
	% of beneficiaries	4%
	Repayment of prior debts	2
	% of beneficiaries	1%

A significant proportion of respondents reported utilizing loans for purchase of tools and machinery (37%) and purchase of raw materials (36%). This indicates that loans are playing a crucial role in supporting production-related needs, helping beneficiaries acquire essential equipment and maintain supply chains. Around 16% of the respondents stated that the loan was taken for business expansion, reflecting the role of credit in facilitating growth and enabling enterprises to scale up operations. A smaller share of beneficiaries used loans for working capital (6%) and marketing and promotion (4%), pointing towards limited reliance on credit for short-term liquidity and outreach activities. Only 1% of respondents reported using the loan for repayment of prior debts, suggesting that the majority are channeling borrowed funds into productive purposes rather than debt servicing.

G.6.3. Utilization of loans for the intended purpose

100% beneficiaries had used the loan amount for the intended purpose.

G.6.4. Awareness of NBCFDC loan schemes, rates of interest & Facilitation of loans taken

A high awareness of the NBCFDC loans were seen amongst the beneficiaries. 44% reported to know about the NBCFDC loans through word of mouth, friends or relative, 39% reported to know about the NBCFDC loans through government banks and 18% from social media and

newspaper. The analysis indicates that beneficiaries largely applied for the loan independently, without the involvement of any third-party or external agents. The application process was primarily managed by the individuals themselves, with necessary guidance and support provided directly by bank officials or officials from the Nigam. This reflects a streamlined and accessible system where institutional assistance was sufficient to navigate documentation and procedural requirements. 63% of the beneficiaries stated to having filled the forms offline through the help of banks and other and 37% stated to having filled the forms online through the SCA. The loans for all beneficiaries (100%) were given through bank transfer.

Table G.6.4.1: Responses regarding the Rate of Interest

Question	Response/ Yes	Response/ Yes in %	Response/No	Response/ No in %
Do you know the amount of interest rate on your loan?	94	67%	46	33%
Whether assistance received directly in bank account?	140	100%	0	0%
Have you missed any installments?	50	36%	90	64%
Do you find the interest fair and affordable?	77	53%	66	47%

The responses highlight a moderate level of financial awareness among beneficiaries, though some gaps remain. About 67% of respondents (94 beneficiaries) reported being aware of the interest rate charged on their loan, while 33% (46 beneficiaries) admitted to not knowing it. This indicates that while two-thirds demonstrate awareness, a sizeable share still lacks clarity on a key financial obligation. Encouragingly, all beneficiaries (100%) confirmed that they received assistance directly into their bank accounts. This underscores the effectiveness of the Direct Benefit Transfer (DBT) mechanism in ensuring transparency, eliminating leakages, and streamlining fund disbursement. Repayment behavior shows a more concerning trend. About 36% of respondents (50 beneficiaries) admitted to having missed some instalments, while 64% (90 beneficiaries) reported being regular with their repayments. Compared to the earlier dataset, this points to a higher proportion of irregular repayments, which may be linked to financial pressures, irregular income flows, or repayment capacity constraints faced by some households.

When asked about the fairness and affordability of the interest rate, 53% (77 beneficiaries) expressed satisfaction, whereas 47% (66 beneficiaries) found it burdensome. This indicates a more divided. Perception among beneficiaries, with nearly half of them experiencing stress due to borrowing costs. Overall, the findings suggest that while DBT has been fully effective and financial awareness is fairly widespread, repayment regularity and perceptions of affordability remain areas of concern, calling for closer monitoring and possible measures to ease repayment burdens.

G.6.5. Insurance and Risk Coverage

During field interactions and focus group discussions conducted in Gujarat, it was observed that beneficiaries generally lacked awareness regarding the insurance components linked to their loans. In many instances, a standard deduction—typically around 5% of the sanctioned loan amount—was made at the time of disbursement by the State Channelizing Agency (SCA). A portion of this deduction is understood to be allocated toward insurance for the loan or the asset created. However, most beneficiaries were not informed about the specific purpose of this deduction or that an insurance policy had been initiated on their behalf.

The SCA clarified that the **first instalment of repayment is deducted upfront** as per the scheme criteria, and this adjustment is part of the loan’s structural design rather than an irregularity. Beneficiaries are provided with essential documents at the time of sanction, including the sanction order, details of the interest rate, repayment form, and information regarding the first instalment deduction.

Despite this, the lack of clear communication around the insurance component has resulted in little to no awareness among beneficiaries. There appears to be no mechanism for follow-up or renewal of the insurance in subsequent years. Only a limited number of respondents reported receiving or opting for any form of insurance at the time of loan disbursement, while the majority either remained unaware or confirmed that insurance was not explicitly offered to them. This points to a missed opportunity in promoting financial protection for economically vulnerable households. The absence of coverage—especially for assets, crops, or livestock financed through the loan—leaves borrowers exposed to significant risks. Strengthening beneficiary communication regarding insurance provisions and institutionalizing renewal protocols could greatly enhance household resilience.

G.6.6. Creation of Assets

The following assets have been created by the uptake of loan amount:

Table G.6.6.1: Number of beneficiaries and their percentages for creation of assets

Assets	No. of beneficiaries	% of beneficiaries
Purchase tools and machinery	52	37%
Purchase of raw materials	50	36%
Business expansion	22	16%
Working Capital	8	6%
Marketing and promotion	8	6%
Total	140	100%

G.7. Analysis of the Perception-Based Assessment of Loan Experience and Impact through Likert Scale

To assess beneficiaries’ perceptions and experiences, a set of Likert scale questions was included in the survey. Respondents were asked to rate their satisfaction with loan services, the impact of the loan on their social and economic well-being, and changes related to women’s empowerment. Each set of statements was rated on a standard 5-point scale, tailored to the

theme. The findings from the Likert scale analysis have been shown through visualizations in their respective sections given below:

G.7.1. Satisfaction with Loan Services

The responses on the questions in the Likert scale for this category has been tabled and the observations are given below.

Table G.7.1.1: Likert responses on questions relation to Satisfaction with Loan Services

Questions	Number of respondents for each rating					% of Beneficiaries per response				
	1	2	3	4	5	1	2	3	4	5
Satisfaction of the loan scheme availed	2	4	6	56	72	1%	3%	4%	40%	51%
Assistance and guidance provided by Agency	10	18	30	30	52	7%	13%	21%	21%	37%
Time taken for Loan approval	18	20	12	34	56	13%	14%	9%	24%	40%
Interest rates	32	58	26	14	10	23%	41%	18%	10%	7%
Fund disbursement process	6	28	18	38	50	4%	20%	13%	27%	35%
Amount of loan disbursed	2	4	20	40	74	1%	3%	14%	28%	53%
Loan Repayment Terms	30	38	20	16	36	21%	27%	14%	11%	25%
Transparency of Loan Terms	36	24	38	4	38	26%	17%	27%	3%	27%
Employee behavior during lending process	16	8	22	30	64	11%	6%	16%	21%	45%
Guarantee requirements	62	0	6	4	68	44%	0%	4%	3%	48%

Analysis of Beneficiary Satisfaction on Loan Process

The beneficiary feedback on the NBCFDC-supported loan process reveals generally positive perceptions in several key areas, although some parameters reflect mixed satisfaction levels.

- **Satisfaction with the Loan Scheme** is notably high. A majority of beneficiaries rated this parameter as 4 or 5 (128 out of 140), showing strong overall approval of the scheme’s design and impact.
- **Fund Disbursement Process** also garnered favorable ratings, with 88 out of 140 respondents assigning scores of 4 or 5. This suggests timely and efficient fund distribution, reinforcing confidence in the disbursement mechanism.
- **Time Taken for Loan Approval** received high marks from 90 respondents (scores 4 and 5), indicating satisfaction with the loan processing speed. However, 50 respondents rated it between 1 and 3, pointing to some variation in experience.
- **Assistance and Guidance** provided had a fairly balanced distribution, with 82 respondents rating it 4 or 5, while 58 rated it 1 to 3. This indicates that while many beneficiaries found the support helpful, a significant segment may have experienced gaps in information or handholding.

- **Amount of Loan Disbursed** showed strong satisfaction, with 114 respondents rating it 4 or 5. This suggests that the financial support met or exceeded the expectations of most beneficiaries.
- **Employee Behavior** was another well-rated aspect, with 94 respondents scoring it 4 or 5, indicating positive interpersonal interactions during the loan process.
- **Loan Repayment Terms** received more moderate ratings. Only 52 beneficiaries gave it a high score (4 or 5), while 88 rated it between 1 and 3. This suggests potential concerns around repayment flexibility or understanding of terms.
- **Transparency of Loan Terms** received mixed feedback: 98 rated it below 4, while only 38 gave it a top rating (5). This points to possible issues with clarity or communication regarding loan conditions.
- **Interest Rates** was the most poorly rated parameter. 116 out of 170 respondents gave scores between 1 and 3, with only 24 offering higher satisfaction. This highlights significant dissatisfaction or perceived burden due to the interest structure.
- **Guarantee Requirements** showed a polarized trend: while 72 respondents gave it the highest rating (5), 62 gave it the lowest (1), suggesting a stark divide in beneficiary experiences—possibly depending on individual eligibility or financial background

G.7.2. Socio-Economic Standard of Living

The responses on the questions in the Likert scale for this category has been tabled and the observations are given below.

Table G.7.2.1: Likert responses on questions relating to Socio-Economic Standard of Living

Questions	Number of responses for each scale					% of Beneficiaries per response				
	1	2	3	4	5	1	2	3	4	5
Food and Nutritional Standards	2	10	18	70	40	1%	7%	13%	50%	28%
Clothing standards	0	20	28	54	38	0%	14%	20%	38%	27%
Asset ownership	0	10	8	76	46	0%	7%	6%	54%	33%
Household Savings	18	50	36	14	22	13%	36%	26%	10%	16%
Overall living standards	0	20	66	32	22	0%	14%	47%	23%	16%
Ability to repay debts	16	70	10	20	24	11%	50%	7%	14%	17%

Analysis of Socio-Economic Impact Indicators

The assessment of socio-economic outcomes based on key quality-of-life indicators reveals a nuanced picture of the beneficiaries' conditions following their participation in the NBCFDC-supported loan scheme.

- **Food and Nutritional Standards** emerged as a well-rated domain, with 110 out of 140 respondents rating it at level 4 or 5. This suggests improved access to better-quality food and a positive shift in nutritional well-being among the majority of beneficiaries.
- **Asset Ownership** also shows significant positive impact, with 122 respondents assigning scores of 4 or 5. This indicates a notable enhancement in physical or productive assets, likely due to investment of loan proceeds in income-generating or livelihood-supportive assets.
- **Clothing Standards** received moderate satisfaction levels. While 92 respondents rated it 4 or 5, 48 provided ratings between 2 and 3. This points to an overall improvement in basic living conditions, albeit with some variations in perception or access to improved clothing.
- **Overall Living Standards** presented a more mixed scenario. While 54 respondents rated it highly (4 or 5), the largest group (66) placed it at level 3, suggesting modest improvements or stabilization in general quality of life rather than a major shift.
- **Household Savings** reflected one of the weakest indicators. A majority (104 respondents) rated it at levels 1 to 3, indicating limited capacity to save from their earnings or support received—highlighting possible income insufficiency or higher expenditure burdens.
- **Ability to Repay Debts** was the most concerning indicator, with 86 out of 140 respondents rating it at level 1 or 2. This implies a significant portion of beneficiaries are experiencing difficulty managing repayments, which may stem from insufficient income generation, repayment scheduling challenges, or other financial vulnerabilities.

While indicators such as asset ownership, nutritional standards, and to a lesser extent clothing, point toward tangible improvements in material conditions post-loan, challenges remain in building financial resilience, especially in terms of savings and debt repayment capacity. These findings highlight the need for complementary interventions such as financial literacy training, flexible repayment options, and support in income stabilization to ensure sustained socio-economic upliftment.

G.8. Key discussion points with the SCA in implementation of NBCFDC Lending Schemes

- The SCA has been associated with NBCFDC schemes since 2017, and currently implements Mahila Samridhi Yojana (MSY), Micro Credit Scheme (MCS), Education Loan Scheme, and Term Loan Scheme. This reflects a holistic lending approach tailored to women, micro-entrepreneurs, students, and marginalized communities.
- Beneficiary identification is conducted through a hybrid model involving open applications and partner recommendations. While outreach activities are conducted, the SCA emphasized the need for improved promotional strategies, especially in rural regions where awareness remains low due to limited campaigns.

- The SCA also implements NSFDC, NSTFDC, and NDFDC schemes, reflecting convergence with broader national inclusion mandates.

G.8.1. Loan Disbursement and Monitoring

- Loan disbursements are primarily executed via Direct Benefit Transfer (DBT) into the same bank account of the beneficiaries, in compliance with scheme transparency requirements. Depending on the scheme, RTGS and other digital methods may also be used.
- The bank offers pre-loan counselling on financial literacy, business planning, and repayment norms, helping beneficiaries understand loan obligations from the outset.
- Although the bank's IT system is modern and functional, the institution still offers both online and offline application modes to accommodate diverse digital capabilities among applicants.
- Importantly, the bank does not have a Distress Relief Fund, raising concerns about borrower support mechanisms in times of unforeseen hardship.
- The average time taken from loan application to disbursement is less than 1 month.
- The average loan size is Rs 82,000, which aligns with the micro-enterprise sector but may be insufficient for sustainable business setup, as reported by beneficiaries. Loans above Rs 1,00,000 were found to have significantly better livelihood impact.
- The SCA confirmed that collateral or guarantees are required, depending on the scheme guidelines.

G.8.2. Recovery and Monitoring Mechanisms

- The loan recovery process combines close account monitoring, field visits, notice issuance, and legal action in difficult cases. Officers also organize repayment awareness camps in rural areas.
- Despite some repayment delays (1–2 months), the bank's recovery rate is exceptionally high, increasing from 99.78% in 2020–21 and 2021–22 to 100% in 2022–23.
- The bank has demonstrated strong performance under the Agricultural Refinance Scheme, with 3,121 loans sanctioned in 2020–21, though declining in subsequent years. Defaulters under this scheme reduced from 7 (2020–21) to 0 (2022–23), showcasing effective follow-up.
- The SCA has indicated the presence of dedicated staff for NBCFDC loan monitoring, although the exact number was not disclosed.

G.8.3. Gender and Youth Impact

- Over the last three years, 1,098 women beneficiaries were supported. However, women constitute only 16.84% of total borrowers highlighting a gender gap in loan access.

- The bank does not conduct pre-disbursement counselling, it lacks women-only SHG support, gender- focused training, and a separate unit for education loan tracking. No job placement support exists for education loan recipients, and course completion rates remain below 30%.
- Although the default rate among women is reportedly lower, the absence of structured empowerment mechanisms limits the program’s impact on women- led development.

G.8.4. Subvention-Based Interest Structure

Under the Agriculture Kisan Credit Card (KCC) model, interest-free loans up to Rs 3 lakh are available, with a 7% subsidy (3% NABARD, 4% Gujarat Government). Loans beyond this threshold are charged at NBCFDC’s applicable interest rate. This creates a mismatch between applied and sanctioned amounts, often confusing beneficiaries.

G.8.5. Challenges Identified by the SCA in implementing NBCFDC Lending Schemes

Low Awareness and Outreach

- The SCA highlighted that inadequate promotional efforts, especially in rural areas, hinder effective reach and visibility of NBCFDC schemes.
- Many potential beneficiaries remain unaware of scheme benefits or eligibility due to the absence of targeted communication channels.

Lack of Financial Literacy

- The SCA observed that a significant proportion of beneficiaries’ face difficulty understanding financial procedures, including loan utilization, repayment schedules, and application processes.
- This gap often leads to poor fund management and delayed repayments.

G.8.6. Suggestions Provided by the SCA to Improve Scheme Implementation

Targeted Awareness Campaigns

- The SCA recommends launching dedicated awareness initiatives using both local and social media platforms to reach underserved communities.
- Campaigns should be tailored to resonate with local cultural and linguistic contexts.

Distribution of Educational Materials

- Develop and circulate brochures, banners, and audio-visual content in regional languages to improve accessibility and engagement.
- Materials should be made available at key community points like Banks, Panchayats, and Training centers.

Training and Capacity Building

- The SCA emphasized the need for training programs for beneficiaries to help them effectively manage funds.
- Training should cover topics such as business planning, financial management, and loan utilization best practices.

G.9. Impact Assessment of NBCFDC Lending Schemes in Gujarat: A Parameter-Based Synthesis

• Economic Upliftment and Financial Stability

NBCFDC-supported lending schemes have demonstrated a substantial role in fostering economic resilience among beneficiaries in Gujarat. A dominant 96% of respondents are engaged in self-driven occupations, with agriculture activities cited as the primary income source by the majority. The largest concentration of borrowers lies in the less than Rs 20,000 income bracket (76.1%), suggesting the scheme's penetration among financially lower-income groups. Notably, household savings behavior is modest, with many respondents' reporting irregular saving patterns. However, asset acquisition such as livestock and tools was widely observed, indicating productive use of funds and some degree of capital formation.

• Loan Utilization Efficiency and Repayment Behavior

Loan utilization has primarily been directed toward operational inputs such as raw materials (37%) and productive assets like livestock (31%). Investments in tools and fixed assets were also reported by a smaller share of respondents. While beneficiaries were able to use the loan as intended in most cases, no formal post-disbursement verification was conducted by SCAs, posing risks of misuse or fund diversion. Repayment behavior differed by institution: Gujarat Gramin Bank reported 100% recovery due to structured mechanisms, whereas GTKVN lagged due to limited follow-up and borrower awareness. This indicates a need for better orientation and counselling at the disbursement stage.

• Entrepreneurial Outcomes and Income Generation

The schemes have enabled establishment and growth of small enterprises, particularly in livestock and agriculture-related occupations. Reported monthly profits ranged from Rs 6,000 to Rs 50,000, with some cases of higher earnings in specialized trades. Although widespread employment generation was not evident, some beneficiaries were able to hire labour seasonally or create part-time employment, indicating limited but notable enterprise expansion. Loans above Rs 1 lakh were associated with better outcomes and sustainability, while smaller loans were often seen as inadequate for meaningful income generation.

• Social Empowerment and Quality of Life Improvements

Beneficiaries reported visible improvements in areas such as food security, asset ownership, and access to basic amenities like electricity and clean water. However, challenges remain in

areas such as debt repayment capacity and consistent savings, where most responses were moderate to low on the Likert scale. Women's participation remains critically low, with only one woman covered under GGB and none under GTKVN, underscoring the need for targeted gender-sensitive outreach and program design.

- Institutional Accessibility and Implementation Effectiveness

Loan application processes were mostly managed independently by the beneficiaries, with procedural guidance provided by banks or Nigam officials, indicating a largely accessible and navigable system. Support mechanisms such as counselling, documentation assistance, and disbursement via DBT were in place and appreciated by beneficiaries. However, gaps in awareness around repayment procedures (especially under GTKVN) and absence of utilization monitoring highlight areas for institutional strengthening.

The lack of structured follow-up on insurance coverage, post-disbursement counselling, and repayment support further underscores the need for enhanced implementation protocols and beneficiary engagement mechanisms.

G.10. Non-beneficiary

In Gujarat, the income distribution of beneficiaries shows that most individuals fall within the low- and mid-income categories, while a smaller proportion lies in the high-income segment. For non-beneficiaries, however, the situation is likely more skewed towards the lower income groups. Since they are not linked to support schemes, they are more vulnerable to income stagnation and irregular earnings, especially in informal employment. This reflects a missed opportunity for stabilizing and improving their financial conditions through institutional support.

When looking at income growth, the picture becomes clearer. Among the beneficiaries, only around one-third reported any increase in annual income, and the majority of these increases were minor, amounting to less than ₹12,000 per year. For non-beneficiaries, the likelihood of income improvement

is expected to be even lower, as they lack access to scheme-related interventions such as credit facilities, skill development, or market linkages. As a result, non-beneficiaries face greater risks of stagnant or declining income, widening the gap between them and those who are able to access benefits.

Awareness of NBCFDC schemes also reveals a critical gap. Even among beneficiaries,

a significant portion is either unsure or not aware of the institution and its schemes, despite already being recipients. This indicates systemic communication and outreach challenges. For non-beneficiaries, awareness levels are likely to be far lower, leaving them outside the purview of potential support. The lack of awareness creates a cycle of exclusion where individuals do not apply for benefits simply because they are uninformed about their availability.

Taken together, these findings suggest that non-beneficiaries in Gujarat tend to remain in lower income brackets, experience little or no growth in earnings, and suffer from low awareness of available schemes. Strengthening outreach and targeted communication, particularly toward low-income households, would be crucial in ensuring that non-beneficiaries are not left behind.

Success Story 1

Empowering Dreams through Credit: The Story of Mr. Suresh Kumar

Botad District, Gujarat



Mr Suresh Kumar in Botad district, Gujarat, had been running a small kirana (grocery) store from a modest *kaccha* setup. Despite his hard work and dedication, limited financial means kept his shop confined in both space and capacity. With no proper infrastructure or storage, he found it difficult to expand his business or cater to the growing needs of his customers.

Everything changed when he availed a loan of Rs 2,00,000 under a scheme supported by NBCFDC. With this timely financial support, Suresh was able to transform his humble *kaccha* shop into a permanent *pakka* structure. The improved infrastructure allowed him to systematically organize his inventory and present his goods in a more professional manner.

With a portion of the loan, he invested in two refrigerators, enabling him to stock perishable goods and cold beverages significantly increasing his sales. He also installed a CCTV system, enhancing the security of his store and instilling greater confidence among customers.

More importantly, the bigger and better-equipped shop allowed Suresh to expand his inventory, meet the demands of a larger customer base, and generate higher revenue. His monthly savings have increased, and he now runs his business with renewed confidence and pride.

Thanks to the NBCFDC-supported loan, Mr Suresh Kumar not only strengthened his economic position but also transformed his shop into a sustainable source of livelihood for his family. His journey stands as a testament to how access to credit, when channeled productively, can bring about meaningful change in the lives of individuals from backward communities.

Success Story 2

Stitching a Better Future – The Journey of Dhalavanaiya Ashish Kumar Ramjibhai

Surendranagar District, Gujarat

Dhalavanaiya Ashish Kumar Ramjibhai, a resident of Surendranagar district in Gujarat, had long been running a small garment store catering to the local community. Though he was passionate and hardworking, limited capital often restricted his ability to expand or diversify his inventory. His shop space was modest, and despite having a loyal customer base, he was unable to meet the growing demand.

In 2021, Ashish availed a loan of Rs 2,00,000 under the NBCFDC scheme through the State Channelizing Agency. This financial support proved to be a turning point in his entrepreneurial journey. With the loan, Ashish was able to expand his shop, making space for a wider range of garments and accessories. He invested in new stock, improved the display layout, and even introduced seasonal collections to attract more customers.

The results were transformative. With an enhanced product line and better customer experience, his daily footfall increased significantly. His monthly income rose, and more importantly, he was able to build a consistent saving habit something that had earlier been a challenge.

For Ashish, the NBCFDC loan was not just financial assistance it was the foundation on which he stitched together a brighter, more secure future.





State Report

Haryana



State Report- Haryana

H.1 Introduction

H.1.1 Background of Haryana Backward Classes & Economically Weaker Sections Kalyan Nigam

The Directorate of Welfare of Schedule Castes & Backward Classes Department implements various schemes for the Welfare of Schedule Castes & Backward Classes in the State of Haryana. The main function of the Department is to coordinate and supervise the activities of other departments in the matter of implementation of various schemes designed for the Welfare of Scheduled Castes, Backward Classes and De-notified Tribes. To ensure all round development of Scheduled Castes & Backward Classes a separate Administrative Secretary and Director have been posted. Financial assistance to those who are not in a position to sustain themselves from their own resources and are in dire need of financial assistance various enticing schemes has been launched.

H.1.2 Disbursement of Loans under NBCFDC in the State

The NBCFDC lending schemes in Haryana have been in operation since 1992 through the Haryana Backward Classes & Economically Weaker Sections Kalyan Nigam, reflecting a long-standing institutional commitment to the socio-economic upliftment of marginalized communities. Over the years, the SCA has built considerable implementation capacity and domain experience. The state- level agency currently administers a diverse portfolio of NBCFDC-supported schemes, including the Mahila Samriddhi Yojana (MSY), Micro Credit Scheme (MCS), Education Loan Scheme, and the Term Loan Scheme. This portfolio addresses a broad range of development needs—from women's empowerment and micro-entrepreneurship to education and business expansion for small- scale enterprises.

The average loan size ranges from ₹50,000 to ₹1.5 lakh, which makes it well-suited for micro and small enterprises. These loans have supported traditional occupations and informal sector activities that dominate the livelihoods of backward class communities. The Term Loan Scheme, in particular, has seen the highest uptake, with beneficiary numbers peaking at 1,143 in 2021–22. In contrast, Education Loan uptake has been minimal, which could point to either lower demand, stricter eligibility, or gaps in awareness and guidance for potential student borrowers. Loans in the Agriculture and Allied sectors have shown fluctuating engagement, suggesting that while rural enterprise financing exists, its consistency is influenced by seasonal, policy, or outreach-related factors.

The loan recovery performance in the state demonstrates a positive trend, improving from 70% in 2020–21 to 77% in 2022–23. This trajectory reflects enhanced recovery mechanisms, borrower discipline, and possibly better pre-loan counselling or selection processes. In particular, the defaulter count in agriculture-related loans has drastically reduced, from 111 in

2020–21 to just 7 in 2022– 23, indicating successful intervention strategies in a traditionally risky lending segment.

Gender inclusion, though present, reflects room for improvement. Over the last three years, a total of 526 women has availed loans, marking an upward trend till 2023–24. However, a recent dip in numbers suggests potential saturation or declining mobilization efforts. In the current year, women constitute only 23% of the total beneficiaries, highlighting the need for stronger gender-focused outreach and support mechanisms, such as pre-loan training, SHG formation, and targeted financial literacy programs.

H.1.3 Sample Population

A sample size of 37 beneficiaries and 37 non-beneficiaries was determined in consultation and as per the terms of reference given by NBCFDC for the state of Sikkim as per the sampling plan for the study. Beneficiaries were interviewed through random sampling from the list of beneficiaries given by the SCA. Beneficiaries were covered from districts of Panchkula, Gurgaon, and Faridabad. The interviews were done through the Kobo tool and a structured closed-ended questionnaire.

H.1.4 Sample Design Selection of Districts

The state of Haryana was selected for this evaluative study as per the proposed sampling plan. The State Channelising Agency selected for this evaluation was Haryana Backward Classes & Economically Weaker Sections Kalyan Nigam. Therefore, the districts for which consent was received became part of the present study. These districts were selected in consultation with the SCA.

H.1.5 Sources of Data

This was an empirical study intending for an evaluation of the lending schemes already implemented. The list of the beneficiaries for Term Loan schemes of NBCFDC for the period of study (2020-23) was shared by SCA which comprised the name and other details of the beneficiary of the loan schemes. All the willing beneficiaries were contacted through the State Channelising Agency and were verified from the available list of beneficiaries.

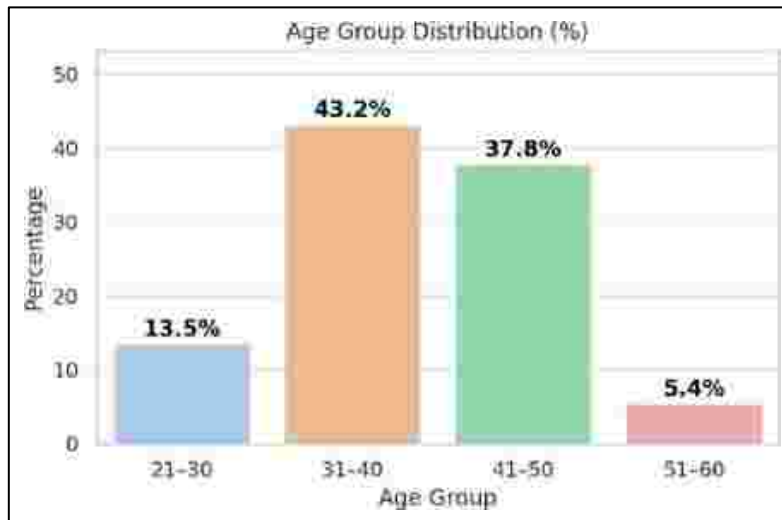
The evaluation for various other parameters like the utilization ratio, loan recovery ratio/mechanism, number of defaulters and the mechanism of monitoring done for these loans by the SCAs has been collected through the questionnaires in Kobo toolbox. Additionally, information has also been gathered from their websites and annual reports.

H.2 Analysis of the Socio-Economic Parameters

H.2.1 Age Group Distribution

The age distribution shows a concentration in the working-age population. 13.5% of the surveyed beneficiaries belong to the age of 21-30 years, 43.2% belong to the group of 31-40 years, 37.8% belong to the 41-50 years age group and 5.4% were above 51 years.

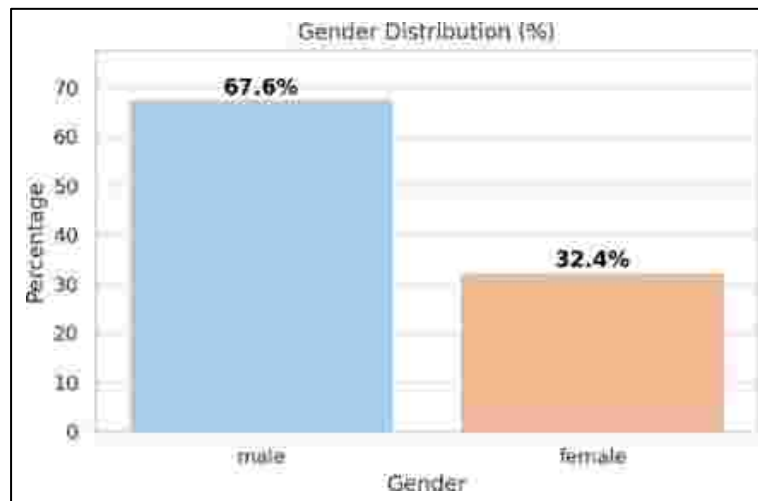
Figure: H.2.1.1



H.2.2 Gender

Among the respondents, 32.4% are female and 67.6% are male. This reflects moderate participation by women, possibly due to targeted outreach, evolving gender norms, or expressed economic need. It supports the case for continuing gender-inclusive financial interventions and addressing any barriers that may still exist for female participation.

Figure: H.2.2.1



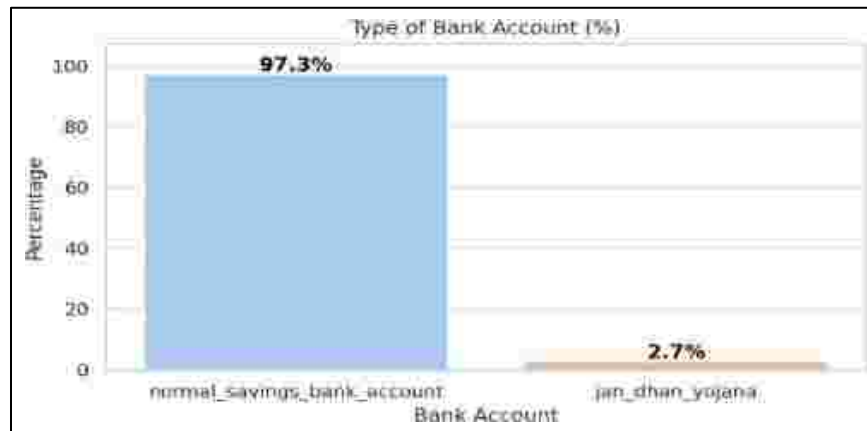
H.2.3 Aadhaar Card Ownership

Every single respondent (100%) has an Aadhaar card, confirming full coverage in terms of national identification. This is a crucial enabler for accessing benefits and indicates that identity-linked schemes can be efficiently administered within this group.

H.2.4 Type of Bank Account

Among the respondents, 97.3% use normal savings bank accounts, and only 2.7% use Jan Dhan Yojana accounts. This indicates a significant shift toward mainstream banking products, suggesting increased financial inclusion beyond basic zero-balance accounts.

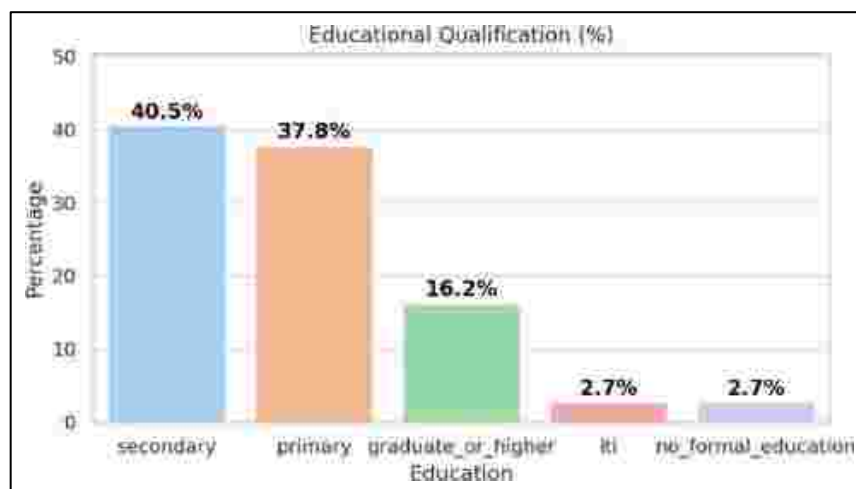
Figure: H.2.4.1



H.2.5 Education Level

Among the respondents, 40.5% are educated up to secondary level, 37.8% up to primary, and 16.2% have graduate or higher qualifications, with only a few having ITI or no formal education. This indicates strong participation by individuals with secondary education, suggesting the scheme effectively targets middle-literacy segments likely involved in informal or semi-skilled occupations.

Figure: H.2.5.1

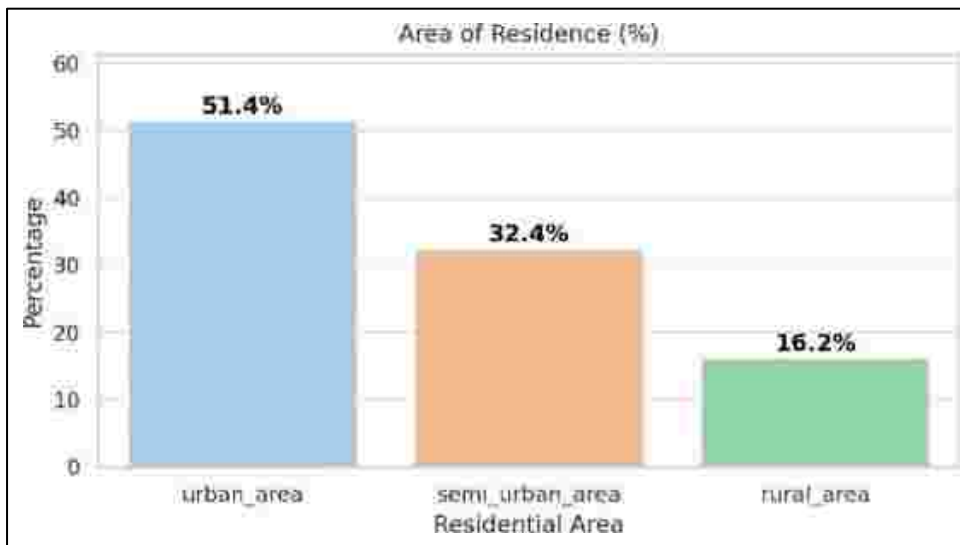


H.2.6 Residential Area

Among the respondents, 51.4% live in urban areas, 32.4% in semi-urban, and 16.2% in rural areas. This suggests that most beneficiaries are urban-based, which may reflect easier access to

financial institutions or stronger awareness levels. However, a third residing in semi-urban areas highlights expanding scheme penetration beyond cities.

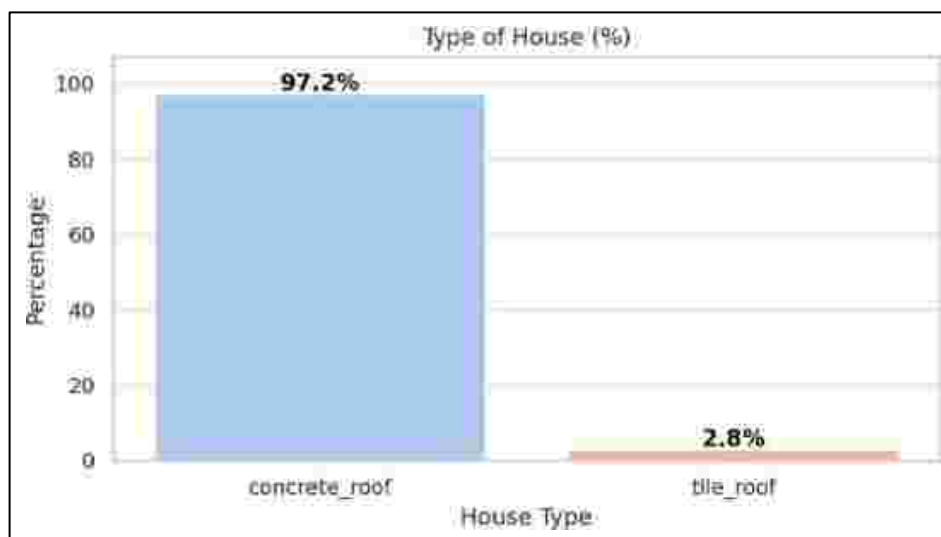
Figure: H.2.6.1



H.2.7 Type of House

Among the respondents, 97.2% reside in concrete-roofed houses, while 2.8% live in tile-roofed homes. This indicates a significant representation of individuals in secure housing conditions, pointing to a relatively stable socio-economic base among beneficiaries.

Figure H.2.7.1



H.2.8 Ownership of Residence

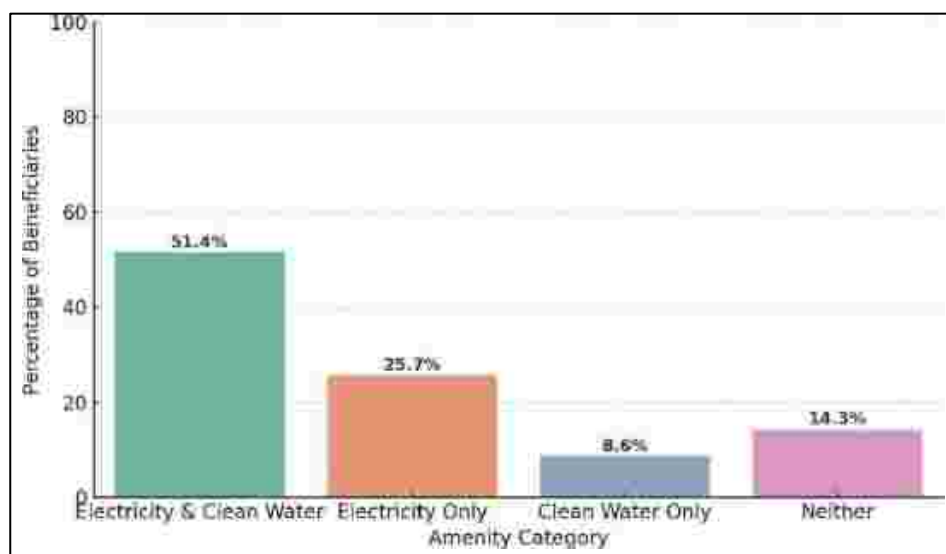
Among the respondents, 97.3% live in self-owned houses, while only 2.7% reside in rental accommodations. This reflects residential security among beneficiaries, often considered a positive factor for financial eligibility and loan recovery potential.

H.2.9 Electricity and Water Availability at Home

51.4% of beneficiaries have access to both electricity and clean water, reflecting strong foundational infrastructure coverage across the surveyed population. Electricity alone is available to 25.7% of households, while 8.6% reported access to clean water only, indicating that while most households have both, a smaller subset has access to only one of the two.

Notably, 14.3% of beneficiaries indicated a lack of access to either one or both of the key amenities at various points, suggesting periodic or partial gaps in utility provision. While the overlap in service availability is high, these figures emphasize the importance of consistent utility access and point toward the need for better targeting of infrastructure improvements in certain clusters.

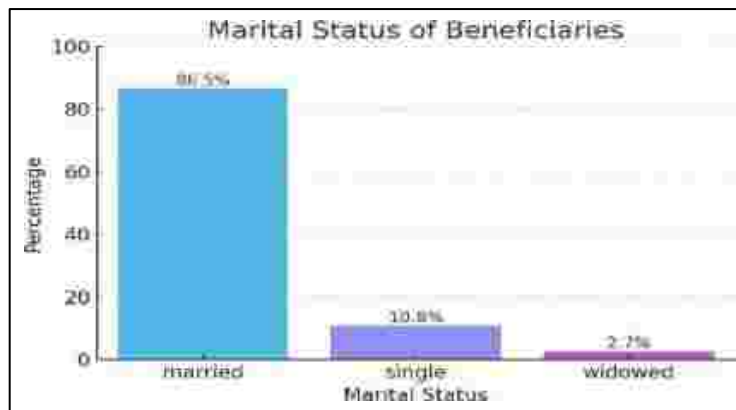
Figure: H.2.9.1



H.2.10 Marital Status

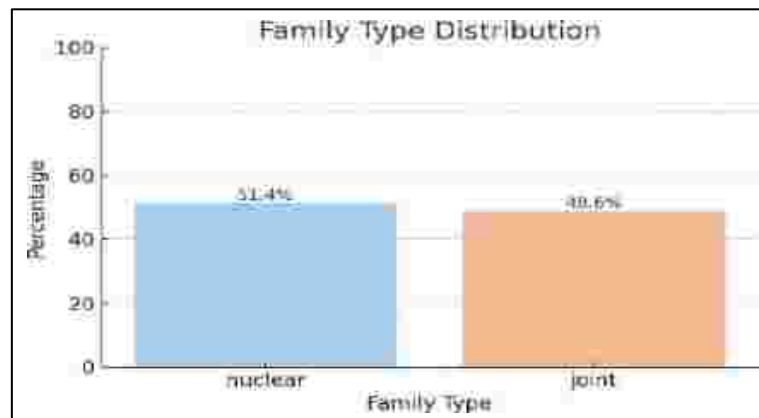
The majority of respondents—86.5%—identified as married, indicating that the NBCFDC schemes are primarily reaching family-centered individuals, many of whom are likely the primary earners or jointly responsible for household welfare. A smaller segment, 10.8%, are single, highlighting the inclusion of independent individuals, possibly young adults or early-stage entrepreneurs. Just 2.7% of the beneficiaries are widowed, representing a vulnerable demographic that may require more targeted support.

Figure: H.2.10.1



H.2.11 Nature of Family

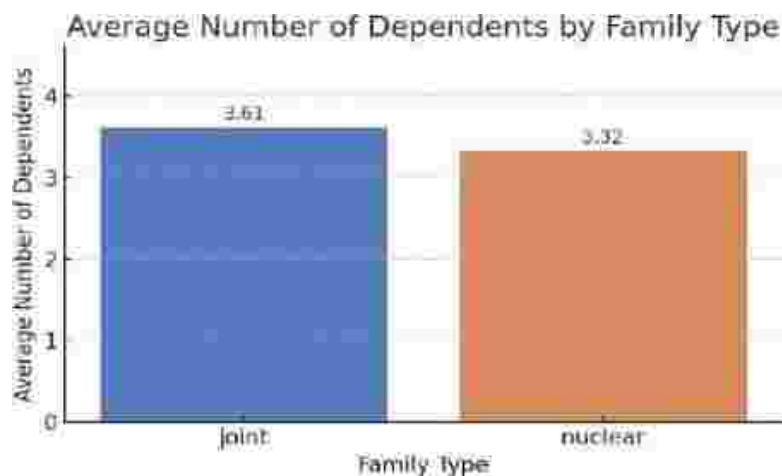
Figure: H.2.11.1



The distribution of beneficiaries shows an almost equal split between nuclear families (51.4%) and joint families (48.6%), suggesting that the NBCFDC schemes are effectively reaching both household types. This near-balance also reflects the coexistence of traditional and modern family structures within the target population.

H.2.12 Dependents by Family Type

Figure: H.2.12.1



When comparing the number of dependents, joint families have a slightly higher average at 3.61 dependents, while nuclear families average 3.32 dependents. Although the difference is not very large, it is consistent with expectations—joint families often include extended members such as parents, in-laws, or siblings, increasing dependency.

H.2.13 Annual Family household Income Pre-loan and Post-loan

Table: H.2.13.1: Annual Family Household Income before uptake of loan

Income Levels	Response	Percentage
Below 1.5 Lakh	7	19
1.5-2.25 Lakh	10	27
2.25 Lakh -3 Lakh	20	54
Total	37	100

The income distribution shows that a majority of respondents fall within the middle-income bracket, with 54% earning between ₹2.25 lakh and ₹3 lakh annually, indicating a relatively stable but modest economic position. About 27% of respondents fall in the ₹1.5–2.25 lakh bracket, reflecting lower-middle-income households. Only 19% earn below ₹1.5 lakh, suggesting that a smaller portion is in the most financially vulnerable category. Overall, the data indicates that while a majority of non-beneficiaries maintain moderate household incomes, a significant proportion still remains at the lower end, highlighting the need for targeted credit access and livelihood support to improve their financial resilience.

The post-loan income distribution clearly indicates an upward shift in household earnings. Only 10.81 percent of families reported incomes below 1.5 lakh after availing the loan, compared to a larger share in the low category earlier, highlighting a reduction in extremely low-income households. Similarly, 21.62 percent fall within the 1.5–2.25 lakh range, while 24.32 percent are in the 2.25–3 lakh bracket, showing a gradual movement toward higher income levels. Notably, the largest proportion—43.24 percent—now belongs to the above 3 lakh category, reflecting a significant improvement in financial status. This shift suggests that access to credit has positively contributed to enhancing income-generating opportunities, enabling many households to move out of lower-income brackets and achieve better economic stability.

Table: H.2.13.2: Annual Family Household Income post uptake of loan

Income Levels	Response	Percentage
Below 1.5 Lakh	4	11
1.5-2.25 Lakh	8	22
2.25 Lakh -3 Lakh	9	24
Above 3 Lakh	16	43
Total count	37	100

Table: H.2.13.3: Change in Income Levels: Pre vs. Post Loan Uptake

Income Level	Pre-Loan (%)	Post-Loan (%)	% Change in beneficiaries
Below 1.5 Lakh	19	11	–8
1.5 – 2.25 Lakh	27	22	–5
2.25 – 3 Lakh	54	24	–30
Above 3 Lakh	0	43	43