

**PUNJAB BACKWARD CLASSES
LAND DEVELOPMENT AND
FINANCE CORPORATION**

SCO 60-61, Sector 17-A, Chandigarh



BACKFINCO

**ANNUAL REPORT
2015-16**

**ANNUAL REPORT ON THE WORKING OF PUNJAB
BACKWARD CLASSES LAND DEVELOPMENT &
FINANCE CORPORATION (BACKFINCO)
CHANDIGARH, FOR THE FINANCIAL YEAR 2015-16.**

INTRODUCTION

Punjab Backward Classes Land Development and Finance Corporation popularly known as Backfinco was established by the State Govt. in the year 1976 under sub-section I of Section 3 of the Punjab Backward Classes Land Development and Finance Corporation Act, 1976 for ameliorating the lot of those belonging to Backward Classes duly notified by the State Government and those belonging to Economically Weaker Sections of the society whose annual family income from all sources is less than Rs. 100,000/-in rural areas and urban areas. The Corporation had started Direct Loaning Scheme in the year 1977-78 for advancing loans to the members of the Backward Classes and Economically Weaker Sections out of Share Capital funds. This scheme was continued till the year 1993-94 and has been again revived w.e.f 2012-13.

In the year 1992 Govt. of India had set-up National Backward Classes Finance & Development Corporation (NBCFDC) for implementing self employment schemes through State Backward Classes Corporations. Backfinco started implementing NBCFDC schemes from the year 1992-93. Similarly National Minorities Development & Finance Corporation (NMDFC) was also set-up by Govt. of

India in the year 1994 for economic uplift of Six notified minorities i.e. Sikhs, Muslims, Christians, Buddhist, Parsis & Jains. Since there was no separate Corporation for Minorities, Backfinco was nominated as Nodal Agency to implement the schemes in collaboration with NMDFC. The annual income criteria for eligibility for availing loan under NMDFC scheme is less than Rs. 103000/- for urban areas and Rs. 81000/- for rural areas and NBCFDC scheme is less than Rs. 120000/- for urban areas and Rs. 98000/- for rural areas.

MANAGEMENT OF THE CORPORATION

Under Section 6(1) of the Act the general superintendence, direction and management of the affairs and business of the Corporation is vested in a Board which may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation under this Act

Section 7 of the act prescribes the composition of the Board of Directors as under :-

"(1) The Board shall consist of an Executive Director appointed under Section 13 and the following other directors :

- (a) The Secretary to Government of Punjab in the Department of Welfare or an Officer of that Department not below the rank of Deputy Secretary nominated by him, ex-officio :
- (b) The Secretary to Government of Punjab in the Department of Finance or an Officer of that

Department not below the rank of Deputy Secretary nominated by him, ex-officio :

- (c) The Secretary to Government of Punjab in the Department of Agriculture or an Officer of that Department not below the rank of Deputy Secretary nominated by him, ex-officio :
 - (d) The Secretary to Government of Punjab in the Department of Industries or an Officer of that Department not below the rank of Deputy Secretary nominated by him, ex-officio :
 - (dd) The Director Welfare of SCs and BCs Pb, Ex-officio.
 - (e) Four directors to be nominated by the State Government from amongst persons belonging to Backward Classes who have special knowledge of agriculture, agro-industries, water development projects, finance or co-operation".
- (2) The State Government shall appoint the Chairman and Vice Chairman from amongst the Directors."
 - (3) On the occurrence of any vacancy in the office of a director due to death, resignation or otherwise the same shall be filled up by the State Government in the manner provided in sub-section(1).
 - (4) Subject to the provisions of this Act, the terms and conditions of appointment of the directors and the fees and allowances payable to them, shall be such as may be prescribed.

During the year 2015-16 two meeting of the Board of Directors was held on 26-08-2015 and 30-12-2015 and the following Directors/Officials (as nominees of the Directors) attended the meeting of the Board of Directors :-

Sr. No.	Name	Date of meeting	Attended as
1	Sh. Om Parkash	26-08-2015 30-12-2015	Chairman
2	Sh. Sibin. C, IAS	26-08-2015 30-12-2015	Executive Director, Backfinco.
3	Sh. H.S.Nagpal, PCS	26-08-2015 30-12-2015	Special Secretary, Welfare
4	Mrs. Surinder Wariach , I.R.S.	26-08-2015	Income Tax Advisor, Punjab Govt. (Finance Department)
5.	Smt. Bindu Walia	26-08-2015 30-12-2015	Additional Director, Welfare Department
6.	Sh. Sarbjit Singh	26-08-2015	Joint Director, Industries Department, Pb.
7	Sh. Parveen Thind, IAS	30-12-2015	Additional Secretary, Finance

8	Smt Sudha Kumari	30-12-2015	Superintendent Agriculture Department
9	Sh. Charan Dass	30-12-2015	Non Official Director

FUNCTIONS OF THE CORPORATION :

The Functions of the Corporation as set under Section 16 of the Act ibid. are as under :-

1. Subject to the provisions of this Act, it shall be the primary duty of the Corporation to undertake the task of economic uplift of the members of the Backward Classes in the State.
2. Without prejudice to the generality of the for going provision such powers shall include the power :-
 - i. to plan, promote and undertake, on its own or in collaboration with or through such Backward Classes Organisations , or other agencies as may be approved by the Board, programmes of agricultural development, marketing , processing, supply and storage of agricultural produce small scale industry, building construction, transport and such other business, trade or activity as may be approved in this behalf by the State Govt.
 - ii. to provide financial assistance to members of Backward Classes or Backward Classes Organisations by advancing to them in cash or in

kind loans including loans under hire purchase system for any of the purposes specified in clause (i) either directly or through such agency, organisation or institution as may be approved by the Board.

- iii. to give on hire agricultural or industrial machinery or equipment to the members of Backward Classes or the Backward Classes Organisations.
- iv. to give grants and subsidies to, and to guarantee loans taken by the members of Backward Classes Organisations.
- v. to borrow money subject to such conditions as the Board may specify to receive gifts, grants, and donations to issue bonds and debentures to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, hundies, bills, warrants, debentures and other negotiable instruments, to invest or deposit surplus funds of the Corporation in Government securities or in such other manner as the Board may decide to enter into contracts and to discharge such other functions as may be prescribed or as are supplemental, incidental or consequential to any of the functions conferred on it under this act.

SCHEMES OF THE CORPORATION :
DETAIL OF SCHEMES IMPLEMENTED:

(A) Direct Loaning Scheme:

Backfinco advances loans to the members of the notified Backward Classes/ Economically Weaker Section out of Authorized Capital under Direct Lending Scheme at interest rate of 0% to 7% p.a. The amount of Rs. 826.87 Lacs. was disbursed to total 9698 beneficiaries till the year 1993-94 and the scheme was discontinued due to non-release of Authorized Capital from the year 1992-93 to 2005-06. About 95% loans were disbursed at 3% interest. Board of Directors of Backfinco again decided to revive this scheme in their 125th meeting held on 29.9.2011. State Govt. released Share Capital of Rs. 100.00 lacs in the year 2011-12 & 200.00 lacs in the year 2015-16 and disbursed Rs. 1147.02 lacs to 10017 beneficiaries upto 31-3-2016. The district wise disbursement of loans during 2015-16 indicating number of units financed and amount disbursed are at Annexure 'A'. Yearwise share capital released by Punjab Govt. and utilized as on 31-3-2016 are given below :-

(Rs in lacs)

Year	Released from Punjab Govt.	No. of Beneficiaries	Amount disbursed
Upto 2009-10	1010.00	9698	826.87
2010-11	100.00	Nil	Nil
2011-12	100.00	Nil	Nil

2012-13	-	17	16.95
2013-14	200.00	56	56.00
2014-15	-	142	141.70
2015-16	200.00	104	105.50
Total	1610.00	10017	1147.02

B. NBCFDC SCHEME :-

Govt. of India set up National Backward Classes Finance and Development Corporation, New Delhi (NBCFDC) in the year 1992 for implementing Self-Employment schemes through State Backward Classes Corporations. As per the Financing Pattern, 85% of the project cost as term loan is provided by NBCFDC, 10% is contributed by Backfinco out of Margin Money provided by the State Govt. and the remaining 5% is contributed by the beneficiary. NBCFDC provides term loan at interest rate of 3% p.a. upto 5 Lacs and upto 10 Lacs at interest rate of 5% p.a. and Backfinco further advances loans to the beneficiaries according to their need at interest rate of 6% p.a. upto 5 Lacs and 8% interest rate upto 10 Lacs with its margin of 3% interest. According to the guidelines of NBCFDC 75% loans are to be advanced upto Rs. 1 Lac. All persons belonging to Backward Classes having annual income less than Rs. 98000/- in rural areas and Rs. 1,20,000/- in urban areas are eligible to get loan. The district wise disbursement of loans during 2015-16 indicating number of units financed and amount disbursed are at Annexure 'B'.

Backfinco has availed a total Term Loan of Rs. 4825.38 Lacs from NBCFDC, New Delhi and disbursed Rs. 5202.46 Lacs (including Margin Money of Rs. 580.77 Lacs) to 7098 beneficiaries from 1992-93 to 2015-16. During the year under Report the Corporation availed Term Loan of Rs. 500.00 Lacs. Yearwise Budget Allocation, Margin Money released by Punjab govt. and

Term Loan availed from NBCFDC and utilized as on 31.3.2016 are given below:-

Year	BY STATE GOVERNMENT		Term Loan Availed From NBCFDC	UTILIZATION			
	Budget Allocation	Margin Money Released		No. of Units	NBC Share	SCA Share	TOTAL
From 1992-93 to 2009-10	705.00	270.00	2335.92	4643	2234.92	308.57	2543.49
2010-11	75.00	75.00	450.00	615	496.26	57.64	553.90
2011-12	125.00	62.50	439.46	380	315.48	35.06	350.54
2012-13	200.00	37.15	400.00	425	377.17	42.26	419.43
2013-14	200.00	0.00	400.00	409	407.60	46.36	453.96
2014-15	100.00	0.00	300.00	329	389.98	44.80	434.78
2015-16	100.00	100.00	500.00	297	400.28	46.08	446.36
TOTAL	1505.00	544.65	4825.38	7098	4621.69	580.77	5202.46

C. NMDFC SCHEME:-

Govt. of India set up National Minorities Development and Finance Corporation (NMDFC) in September 1994 for economic uplift of five notified minorities i.e. Sikhs, Christians, Muslims, Parsis and Budhists. As per 2001 Census figures, the Minority Population in Punjab is 62.91%. State Govt. nominated Backfinco as Nodal Agency to implement schemes in collaboration with NMDFC. As per revised lending policy of NMDFC w.e.f. 1.4.2013, 90% of the project cost as term loan is provided by NMDFC, 5% by State Govt. /SCA as Margin Money and 5% by the beneficiary. NMDFC provides Term Loan to Backfinco at interest rate of 3% upto 5 Lacs and upto 10.00 Lacs at interest rate of 5 % p.a. and Backfinco further advances loan at 6% p.a upto 5.00 Lacs and at 8% p.a. upto Rs.10.00 lacs with its margin of 3% interest. All persons belonging to Minority Communities having annual income less than Rs. 81000/- in rural areas and Rs. 1,03,000/- in urban areas are eligible to get loan. The district wise disbursement of loans during 2015 -16 indicating number of units financed and amount disbursed are at Annexure 'C'.

The Corporation started implementing Self Employment Schemes for Minority Communities in the year 1995-96 and has availed a total Term Loan Loan of Rs. 8935.25 Lacs upto 31.3.2016 from NMDFC, New Delhi and disbursed Rs 9682.12 Lacs (including Margin Money of Rs. 905.05 Lacs) to 11986 beneficiaries. During the year under Report the Corporation availed Term Loan of Rs. 450.00

Lacs. Yearwise Budget Allocation, Margin Money released by Punjab Govt. and Term Loan availed from NMDFC and utilized as on 31.3.2016 are given below :-

YEAR	BY STATE GOVERNMENT		UTILIZATION				
	Budget Alloc-ation	Margin Money Relea-sed	Term Loan Availd	No. of Units	NMD Share	SCA Share	TOTAL
From 1995-96 to 2009-10	811.00	290	4524.12	7623	4447.45	522.90	4970.35
2010-11	50.00	50.00	961.13	702	580.63	67.68	648.31
2011-12	100.00	50.00	500.00	960	805.16	93.69	898.85
2012-13	200.00	50.00	700.00	887	750.80	87.01	837.81
2013-14	200.00	0.00	700.00	729	683.47	50.17	733.64
2014-15	100.00	0.00	1100	592	789.17	43.68	832.85
2015-16	100.00	100.00	450	493	720.39	39.92	760.31
TOTAL	1561.00	540.00	8935.25	11986	8777.07	905.05	9682.12

RECOVERY OF LOANS :-

Loans of the Corporation are recoverable in a period of 5 years in quarterly instalments. The repayments starts after 3 months from the date of disbursement. The percentage of recovery under NBCFDC & NMDFC schemes was **80 %** and **92 %** respectively as on 31.3.2016.

CAPITAL STRUCTURE :-

The authorised Share Capital of Backfinco was 10.00 crores as prescribed under Section 5(1) of the Act. Against this amount the State Govt. has released 10.00 Crores . In

the year 2009-10 State Govt. enhanced the Share Capital from Rs.10.00 Crore to Rs.20.00 Crores from dated 10.3.2010. Yearwise breakup is as under :-

S.NO.	YEAR	AMOUNT in Lacs
B/F	From 1976-77 to 2009-2010	1010.00
1	2010-2011	100.00
2	2011-2012	100.00
3	2012-13	0.00
4	2013-14	200.00
5	2014-15	0.00
6	2015-16	200.00
	TOTAL	1610.00

Note:- Rs.10 Lacs was returned to SCFC in the year 1997 as SCA Funds)

RESERVES AND SURPLUS FUNDS :

Amt in Lacs

Sr. No.	Particulars	Opening Balance as on 1.4.15	Interest Recd. On FDR's	Total	Closing Balance as on 31.3.16
1	Guarantee Fund	11.94	1.08	13.02	13.02
2	Bad Debts Fund	8.03	0.73	8.76	8.76
3	Relief and common Good Fund	11.94	1.08	13.02	13.02
	Total	31.91	2.89	34.80	34.80

TERM LOAN :

Amt in Lacs

S.No		Opening Balance as on 1.4.15	Funds Recd. During 2015-16	Total	Returned to National Corpn.	Closing Balance as on 31.3.16
1	NBC	2082.44	500.00	2582.44	234.53	2347.91
2	NMD	4154.67	450.00	4604.67	323.38	4281.29
	Total	6237.11	950.00	7187.11	557.91	6629.20

CASH AND BANK BALANCES : (Amt in lacs)

1	F.D Rs 1	37.93
2	Saving Bank Accounts (Flexi Account)	522.96
3	Cash In Hand	9.61
	Total	670.50

WORKING RESULTS :

During the year 2015-16 the Corporation received income on account of interest on Loans & Advances & Bank Deposits, grant in aid and miscellaneous income to the tune of 618.08 lacs and total expenditure on salaries, other overheads and interest paid to NMDFC, NBCFDC on Term Loan was 903.52 lacs. Thus the Corporation suffered a net loss of 285.44 lacs.

Annexure 'A'
STATEMENT SHOWING DISTRICT-WISE DISBURSEMENT
UNDER DIRECT LOANING SCHEME FOR THE YEAR 2015-16
(Amt. in Lacs)

S.N.	DISTRICT	Phy.	Fin.
1	AMRITSAR	4	4.00
2	BATHINDA	13	15.00
3	BARNALA	1	1.00
4	FARIDKOT	8	8.00
5	FEROZEPUR	6	6.00
6	FATEHGARH.S.	15	14.80
7	GURDASPUR	1	1.00
8	HOSHIARPUR	5	5.00
9	JALANDHAR	0	0.00
10	KAPURTHALA	0	0.00
11	LUDHIANA	1	1.00
12	MANSA	2	2.00
13	MOGA	10	10.00
14	MUKATSAR	4	4.00
15	NAWANSHAHER	0	0.00
16	PATIALA	15	15.00
17	ROPAR	6	6.00
18	SANGRUR	1	1.00
19	FAZILKA	3	3.00
20	SAS NAGAR	2	1.70
21	TARN TARAN	7	7.00
22	PATHANKOT	0	0.00
	TOTAL	104	105.50

Annexure 'B'
STATEMENT SHOWING DISTRICT-WISE DISBURSEMENT
UNDER NBCFDC SCHEME FOR THE YEAR 2015-16
(Amt. in Lacs)

S.N.	DISTRICT	Phy.	Fin.
1	AMRITSAR	11	19.24
2	BARNALA	2	2.85
3	BATHINDA	11	13.78
4	FARIDKOT	16	17.58
5	FATEHGARH.S.	23	28.03
6	FEROZEPUR	15	27.08
7	GURDASPUR	7	6.65
8	HOSHIARPUR	2	3.75
9	JALANDHAR	5	10.47
10	KAPURTHALA	10	17.58
11	LUDHIANA	22	34.18
12	MANSA	16	26.13
13	MOGA	12	11.96
14	MUKATSAR	18	27.90
15	S.BHAGAT S. NAGAR	11	18.29
16	PATIALA	42	49.26
17	ROOPNAGAR	25	34.02
18	PATHANKOT	-	-
19	SANGRUR	13	25.18
20	SAS NAGAR	16	25.87
21	TARN TARAN	1	2.38
22	FAZILKA	19	44.18
	TOTAL	297	446.36

Annexure 'C'
STATEMENT SHOWING DISTRICT-WISE DISBURSEMENT
UNDER NMDFC SCHEME FOR THE YEAR 2015-16

(Amt. in Lacs)

S.N.	DISTRICT	Phy.	Fin.
1	AMRITSAR	25	43.70
2	BARNALA	17	20.19
3	BATHINDA	26	43.70
4	FARIDKOT	43	65.28
5	FATEHGARH.S.	39	50.50
6	FEROZEPUR	39	69.83
7	GURDASPUR	13	12.83
8	HOSHIARPUR	3	4.75
9	JALANDHAR	8	12.83
10	KAPURTHALA	17	29.45
11	LUDHIANA	40	52.13
12	MANSA	37	64.84
13	MOGA	22	30.47
14	MUKATSAR	44	81.70
15	NAWANSHAHER	3	4.75
16	PATIALA	38	49.90
17	ROPAR	34	48.31
18	SANGRUR	7	12.35
19	SAS NAGAR	17	31.45
20	TARN TARAN	14	15.20
21	FAZILKA	7	16.15
22	PATHANKOT	-	-
	TOTAL	493	760.31