

The SC Entrepreneur's Complete Stack — Every Scheme a Scheduled Caste Business Founder Can Access

This note is for social welfare NGOs, District Social Welfare Officers, SC development corporation staff, entrepreneurship coaches, and Scheduled Caste individuals in Odisha who are starting or scaling a business. It maps the complete stack of government schemes available specifi...

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Why SC-Specific Entrepreneurship Schemes Exist — and Why They Matter

India's Scheduled Caste communities constitute 16.6% of the population but own a disproportionately small share of formal business enterprises. Structural barriers — historical exclusion from capital and credit markets, collateral gaps (limited ancestral property), and limited access to professional networks — have constrained SC entrepreneurship generation after generation.

The government has responded with a layered set of SC-specific enterprise schemes that address each barrier: concessional credit at every scale (from Rs. 75,000 micro-credit to Rs. 15 crore venture capital), mandatory bank branch quotas for SC borrowers (Stand-Up India), higher PMEGP subsidies, and dedicated development corporations at both national (NSFDC) and state (OSCDC) levels.

An SC entrepreneur in Odisha who understands and accesses this full stack has a structurally better starting position than a general category entrepreneur — because the schemes explicitly compensate for the capital and network deficits that structural history created.

Layer 0 — Foundation: Identity and Financial Access

Before any enterprise scheme, three documents must be in place:

- 1. SC Caste Certificate:** Issued by the Sub-Divisional Magistrate (SDM) or Tehsildar, with the specific SC sub-caste notation. This is the gateway to every SC-specific scheme. If outdated or lost, get a fresh one immediately.
 - 2. Individual PMJDY Bank Account (Aadhaar-linked):** The DBT pipe for all government subsidy transfers. Ensure it is Aadhaar-seeded and NPCI-mapped.
 - 3. Udyam Registration:** Free, online at udyamregistration.gov.in — takes 10 minutes with Aadhaar and PAN. Mandatory for GeM selling, priority sector bank lending, and MSME government procurement preferences. Register this before applying for any enterprise loan.
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Layer 1 — Micro-Credit: NSFDC (Concessional Loans at 4.5-6% Interest)

National Scheduled Castes Finance and Development Corporation (NSFDC)

NSFDC was set up in 1989 as a Section 8 Company under the Ministry of Social Justice and Empowerment, with the objective of financing income-generating activities of SC beneficiaries having annual family income up to Rs. 5 lakh. It provides loans, skill training, entrepreneurship development programmes, and marketing support through State Channelising Agencies (SCAs) — in Odisha, through the Odisha Scheduled Castes

and Scheduled Tribes Development Finance Cooperative Corporation (OSDC).

NSFDC loan products — key ones for entrepreneurs:

Term Loan (up to Rs. 50 lakh at 6% per annum):

- Amount: Up to Rs. 50 lakh (NSFDC share: up to 90% of project cost)
- Interest: 6% per annum (for income levels above poverty line), lower for below-poverty-line applicants
- Repayment: Up to 10 years
- Security: Hypothecation of assets created from loan; no collateral required for smaller amounts

Micro Credit Finance (up to Rs. 50,000 at 4.5% per annum):

- For small income-generating activities at the micro level
- Interest rate 4.5% per annum for beneficiaries, 2% for channel partners, with repayment period of 7 years including moratorium of up to one year.
- Annual family income must be below Rs. 3 lakh

Mahila Samridhi Yojana (women SC entrepreneurs — 5% per annum):

- Rs. 50,000 to SC individuals for income-generating activities with simple interest rate of 5% per annum and repayment period of 3 years.
- Specifically targets women SC entrepreneurs

Venture Capital Fund for Scheduled Castes (Rs. 50 lakh to Rs. 15 crore): The most significant NSFDC product for serious SC entrepreneurs: the Venture Capital Fund for Scheduled Castes was launched in 2014-15 with loans from Rs. 50 lakh to Rs. 15 crore for SC entrepreneurs — till date, Rs. 236.66 crore in loans sanctioned to 65 SC entrepreneurs in sectors including Solar Energy, Water Treatment Plants, Food Processing, and Hotels.

Education Loan (up to Rs. 40 lakh abroad, 6.5% per annum): NSFDC offers education loans up to Rs. 40 lakh (for studies abroad) at 6.5% interest rate with 0.5%

discount for women, generally no collateral, flexible repayment of 10-12 years with moratorium after course completion.

How to access NSFDC in Odisha: Through OSCDC (Odisha Scheduled Castes and Scheduled Tribes Development Finance Cooperative Corporation) — the State Channelising Agency. Visit the OSCDC district office with: SC certificate, Aadhaar, income certificate (below Rs. 5 lakh/year for NSFDC eligibility), business plan, bank account details.

Layer 2 — Startup Capital: PMEGP (25-35% Government Subsidy on Project Cost)

The Prime Minister's Employment Generation Programme is the most widely accessible enterprise startup scheme — and SC entrepreneurs receive a significantly higher subsidy than general category applicants.

PMEGP subsidy rates for SC/ST entrepreneurs (Special Category):

- 25-35% subsidy on project costs for beneficiaries in special categories including SC/ST/OBC/Minority/Women/Ex-servicemen, physically handicapped, NER, Hill and Border areas, Aspirational district, transgender. No collateral required for loans up to Rs. 10 lakh.
- Rural SC/ST: **35% subsidy** (general rural: 25%)
- Urban SC/ST: **25% subsidy** (general urban: 15%)

Project cost limits (revised December 2023):

- Manufacturing sector: up to Rs. 50 lakh
- Service/business sector: up to Rs. 20 lakh

Beneficiary contribution: Only 5% of project cost (general category: 10%)

The combined effect for an SC entrepreneur in rural Odisha starting a Rs. 10 lakh manufacturing project:

- Government subsidy: 35% = Rs. 3,50,000
- Your own contribution: 5% = Rs. 50,000
- Bank loan: 60% = Rs. 6,00,000
- **You start a Rs. 10 lakh enterprise for Rs. 50,000 of your own money.**

As of March 2026: PMEGP has sanctioned 5,73,917 projects with bank loans of Rs. 58,979.34 crore, disbursing Rs. 13,219.30 crore as margin money subsidy to 3,94,591 units.

Application: Through KVIC (kviconline.gov.in/pmegp) or the District Industries Centre (DIC). Single-page online application. SC certificate, business plan, bank details required.

Layer 3 — Growth Capital: Stand-Up India (Rs. 10 Lakh to Rs. 1 Crore)

Stand-Up India is designed specifically for SC/ST borrowers and women entrepreneurs establishing a greenfield enterprise — with a mandatory bank target of at least one SC/ST borrower and one woman borrower per bank branch.

What Stand-Up India provides:

- Composite loan: Rs. 10 lakh to Rs. 1 crore (term loan + working capital)
- At the bank's lowest applicable rate for the enterprise category
- Moratorium of up to 18 months before principal repayment
- Repayment period: up to 7 years
- No separate collateral requirement beyond assets created

Budget 2025-26 announcement: A new enhanced scheme for SC/ST and women first-time entrepreneurs was announced — Rs. 2 crore loans for 5 lakh borrowers over 5 years, with online capacity building component. The EFC (Expenditure Finance Committee) note was under preparation as of early 2026 — monitor Finance Ministry notifications for final guidelines.

For a serious SC entrepreneur: Stand-Up India's Rs. 10 lakh-1 crore range is the bridge between PMEGP's startup support and NSFDC's Venture Capital Fund. A Rs. 25-50 lakh manufacturing enterprise — employing 5-15 workers, producing for institutional buyers — is the typical Stand-Up India use case.

How to access: Walk into any scheduled commercial bank. Show SC certificate, business plan, Udyam registration. The bank has a legal obligation to consider the application.

Layer 4 — Odisha State: OSCDC Concessional Loans

The Odisha Scheduled Castes and Scheduled Tribes Development Finance Cooperative Corporation (OSCDC) is the state-level channelising agency for NSFDC funds in Odisha — and also provides state-funded concessional loans independently.

OSCDC provides:

- Loans at concessional rates (4-6% per annum) for income-generating activities
- SHG-linked credit for SC women's groups
- Skill development funding
- Marketing support and fair participation for SC artisan enterprises

Contact: OSCDC district offices across Odisha. The OSCDC is headquartered in Bhubaneswar.

Layer 5 — Enterprise Formalisation: Udyam and GeM

Once a business is operational, formalisation unlocks further benefits:

Udyam Registration (free, 10 minutes):

- Classifies the enterprise as Micro (up to Rs. 1 crore turnover), Small (Rs. 1-10 crore), or Medium (Rs. 10-50 crore)
- Unlocks: priority sector bank lending, lower interest rates on MSME loans, GeM procurement preference, 4% SC/ST reservation in government jobs and tenders, reduced patent and trademark fees

GeM Seller Registration: Government procurement through GeM exceeds Rs. 4 lakh crore annually. SC entrepreneurs with Udyam registration can list products/services and receive government purchase orders directly.

MSME Government Procurement Preference: The Public Procurement Policy for MSMEs (2012, updated) mandates:

- 25% of annual government procurement must be from MSMEs
- Of this 25%, at least 3% from SC/ST-owned enterprises specifically
- No Bid Security (EMD) required from MSMEs for government tenders
- No prior experience required from MSMEs for government contracts up to Rs. 10 crore

Layer 6 — Dedicated SC Scheme: PM-AJAY (Pradhan Mantri Anusuchit Jaati Abhyuday Yojana)

PM-AJAY is the consolidated SC development scheme under the Ministry of Social Justice and Empowerment, bringing together multiple earlier SC welfare programmes.

Components relevant to SC entrepreneurs:

Pradhan Mantri Dakshata Aur Kushalta Sampann Hitgrahi (PM-DAKSH): Free skill development training for SC individuals in short-term courses (90-180 hours) in manufacturing, services, and entrepreneurship skills. No income criteria. Candidates receive stipend of Rs. 1,000-1,500 per month during training and placement assistance after.

Scheduled Caste Sub Plan (SCSP) / Scheduled Caste Component (SCC): 15-16% of state plan allocation must be made under the Scheduled Caste Component — these funds flow through the SC & ST Development Department of Odisha for enterprise support, infrastructure, and welfare of SC communities.

Layer 7 — Financial Protection Stack

An SC entrepreneur's business is more fragile than a capially-strong competitor's — one accident, one illness, one flood year can end a micro-enterprise without a safety net. The Jan Suraksha stack addresses this:

PMJJBY (Life Insurance: Rs. 2 lakh at Rs. 436/year): If the entrepreneur dies, the business survives long enough for the family to decide what to do with it — because the family is not immediately destitute.

PMSBY (Accident Insurance: Rs. 2 lakh at Rs. 20/year): A physical accident that hospitalises an SC micro-entrepreneur for 3 months can end the business. PMSBY covers the disability outcome at virtually zero cost.

PMFBY (Crop Insurance, if the enterprise involves agriculture): For SC farmers who are also running agro-processing enterprises, PMFBY at 2% premium covers crop failure that would cut off the raw material supply.

GJAY Health Insurance: Catastrophic health expenditure is the #1 enterprise-killer for micro-businesses. GJAY (up to Rs. 10 lakh/year for BPL households) means a serious illness does not drain enterprise capital.

The Sequenced Pathway — Stage by Stage

Stage	Enterprise Size	Best Scheme	Key Requirement
Idea stage	Pre-launch	PM-DAKSH training	SC certificate + age 18+

Stage	Enterprise Size	Best Scheme	Key Requirement
Seed stage	Rs. 50,000-2 lakh	NSFDC Micro Credit (4.5% p.a.)	SC cert + income < Rs. 3 lakh
Startup stage	Rs. 2-20 lakh	PMEGP (35% rural subsidy)	SC cert + Aadhaar + business plan
Growth stage	Rs. 10-100 lakh	Stand-Up India (market rate, 18-month moratorium)	SC cert + greenfield enterprise
Scale stage	Rs. 50 lakh-15 crore	NSFDC Venture Capital Fund	SC cert + strong business case
Formalisation	Any stage	Udyam + GeM + MSME tender access	PAN + Aadhaar + Udyam number

What Makes This Note Different From a Scheme List

Most scheme listings tell you what exists. This note tells you what to do in what order. The sequencing matters more than the schemes:

A common failure pattern: An SC entrepreneur with a good idea goes directly to Stand-Up India (Rs. 10 lakh minimum) without having done the Udyam registration, without having a business plan, and without understanding that a greenfield requirement means they cannot use it for an existing enterprise. The application is rejected. They conclude "government schemes don't work."

The correct sequence: PM-DAKSH training (builds the business plan) → Udyam registration (5 minutes, free) → NSFDC micro-credit or PMEGP (startup phase) → PMJJBY+PMSBY (protection before anything else can be risked) → Stand-Up India (growth phase, once a track record exists) → GeM + MSME tenders (market access, once scale warrants it).

Contact Points

Institution	For	Contact
OSCDC (Odisha)	NSFDC loans, state SC credit	At district HQ
KVIC District Office	PMEGP applications	kviconline.gov.in
District Industries Centre (DIC)	PMEGP, MSME support	At district HQ
Any scheduled commercial bank	Stand-Up India	Branch-level application
Udyam portal	Micro/Small enterprise registration	udyamregistration.gov.in
GeM portal	Government procurement	gem.gov.in
NSFDC	National SC finance body	nsfdc.nic.in

Last verified: June 2026. PMEGP: SC/ST rural subsidy 35%, urban 25%; beneficiary contribution 5%; approved through 2025-26. NSFDC: income eligibility up to Rs. 5 lakh/year (updated); term loan up to Rs. 50 lakh at 6% p.a.; Venture Capital Fund Rs. 50 lakh to Rs. 15 crore. Stand-Up India Rs. 10 lakh-1 crore; Budget 2025-26 announced enhanced Rs. 2 crore scheme for 5 lakh borrowers — monitor Finance Ministry for notification. Udyam: free at udyamregistration.gov.in. OSCDC Odisha: State Channelising Agency for NSFDC.

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