

# **Credit Enhancement Guarantee Scheme For The Scheduled Castes**

## **Details (Credit Enhancement Guarantee Scheme For The Scheduled Castes)**

To encourage and promote entrepreneurship among the Scheduled Castes who are oriented towards innovations and growth technologies by supporting the Bank and Financial Institutions [designated as Members Lending Institutions (MLIs) for the Scheme], in the form of Credit Enhancement Guarantee (minimum Rs.0.15 crore and maximum Rs.5.00 crore) against Working Capital Loans, Term Loans or Composite Terms Loans granted by (Money Lending Institutions) MLIs to SC entrepreneurs. ■ Objective of the Scheme The scheme is an initiative that is implemented throughout the nation to enhance entrepreneurship among the Scheduled Caste who are motivated for innovation and growth of the technologies. ■ Sector covered under Scheme The borrower engaged in primary/ service/ manufacturing sector would be considered for financial assistance by MLIs. No claim made under the guarantee shall be entertained by IFCI if the account becomes NPA within the lock in period. ■ Guarantee Fee and obligation of IFCI on the Guarantee Cost to GOI: An upfront fee @1.5% flat (exclusive of applicable taxes) for initial set-up of the corpus (the first such corpus announced being Rs.200 crore) for implementing the Scheme shall be paid by GOI to IFCI. (exclusive of applicable taxes), shall be levied by IFCI on the aggregate Guarantee outstanding as on 31st March every year towards annual maintenance of the scheme, payable at the end of each year during the currency of the Scheme.

## **Objectives (Credit Enhancement Guarantee Scheme For The Scheduled Castes)**

- ■ Objective of the Scheme The scheme is an initiative that is implemented throughout the nation to enhance entrepreneurship among the Scheduled Caste who are motivated for innovation and growth of the technologies.
- No claim made under the guarantee shall be entertained by IFCI if the account becomes NPA within the lock in period.

## **Important Features (Credit Enhancement Guarantee Scheme For The Scheduled Castes)**

- To encourage and promote entrepreneurship among the Scheduled Castes who are oriented towards innovations and growth technologies by supporting the Bank and Financial Institutions [designated as Members Lending Institutions (MLIs) for the Scheme], in the form of Credit Enhancement Guarantee (minimum Rs.0.15 crore and maximum Rs.5.00 crore) against Working Capital Loans, Term Loans or Composite Terms Loans granted by (Money Lending Institutions) MLIs to SC entrepreneurs.

## **Benefits (Credit Enhancement Guarantee Scheme For The Scheduled Castes)**

- Amount of Guarantee Minimum Rs.0.15 crore and maximum Rs.5.00 crore.
- Individual SC Entrepreneur would be eligible for a guarantee cover of a loan amount of upto Rs. 1.00 crore.
- ■ Tenure of Guarantee Maximum 7 years or repayment period whichever is earlier.
- However, initially the loan shall be guaranteed for 1 year and renewed at yearly intervals subject to payment of annual renewal fee and satisfactory loan conduct and satisfactory loan review certification by MLIs at the time of renewal.
- ■ ■ Repeat Credit Enhancement In case of satisfactory track record and post liquidation of the First facility under the scheme, the benefits of Guarantee under the scheme may be extended to such SC Entrepreneurs/Enterprises for repeat finance, in order to incentivize and inculcate healthy credit culture amongst the ultimate beneficiaries.

## **Eligibility (Credit Enhancement Guarantee Scheme For The Scheduled Castes)**

- Enterprises, projects/units being set up, promoted and run by Scheduled castes in primary, manufacturing and services sector ensuring asset creation out of the funds deployed in the unit, under any State/Central Government Subsidy/Grant Scheme shall be considered

- Registered Companies and Societies/Registered Partnership Firms/Sole Proprietorship firms/Individual SC Entrepreneur having more than 51% shareholding by Scheduled Caste entrepreneurs/promoters/members with management control for the past 6 months
- Credit Guarantee would be extended to startup SC Entrepreneur. Individual SC Entrepreneur would be eligible for a guarantee cover of a loan amount of upto Rs. 1.00 crore. Documentary proofs of being SC will have to be mandatorily submitted by the entrepreneurs/promoters/partners/society members/sole proprietorship firms/individual SC Entrepreneur at the time of submitting the proposals. The Scheduled Caste promoter(s)/Partners/Society members shall not dilute their stake below 51% in the company/enterprise during the currency of the Loan. To be eligible for Guarantee Cover under the Scheme, the banks / FIs/ MLIs shall submit to IFCI a copy of the valid sanction letters/LoI issued to Scheduled Caste beneficiary/enterprise/company/firm/society/sole proprietorship firms/individuals. In order to save time, the information may also be submitted online on the web portal of CEGSSC. The indicative Appraisal Format and Due Diligence Module are provided in the Scheme as Annexure
- III and Annexure
- IV in the scheme guidelines respectively for facilitation. However, the MLIs who have already developed their own formats and modules are free to use their own appraisal formats/modules. ■

### **Application Process (Credit Enhancement Guarantee Scheme For The Scheduled Castes)**

- Enter the details of the Enterprise details and other mandatory fields Enter the details of the Borrower details and other mandatory fields.
- The applicant will fill Loan and Bank details and other mandatory fields.
- Save and Upload the requested documents Submit the document ■

### **Documents Required (Credit Enhancement Guarantee Scheme For The Scheduled Castes)**

- Documentary proofs of being SC will have to be mandatorily submitted by the entrepreneurs/promoters/partners/society members/ sole proprietorship firms/individual SC Entrepreneur at the time of submitting the proposals