

Credit Enhancement Guarantee Scheme For The Scheduled Castes Are you sure you want to sign out? Cancel Sign Out English / हिन्दी / বাংলা / ગુજરાતી / తెలుగు / தமிழ் / ્ਰதிக Sign In Back Details Benefits Eligibility Application Process Documents Required Frequently Asked Questions Sources And References Feedback Something went wrong. Please try again later. Ok You need to sign in before applying for schemes Cancel Sign In Something went wrong. Please try again later. Ok It seems you have already initiated your application earlier. To know more please visit Cancel Apply Now Check Eligibility Ministry Of Social Justice and Empowerment Credit Enhancement Guarantee Scheme For The Scheduled Castes Companies Entrepreneur Scheduled Caste Societies Details 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. To promote the financial inclusion of SC entrepreneurs and motivate them towards further growth of SC communities. To facilitate the economic development of SC entrepreneurs. To develop direct and indirect employment generation for the SC population in India.

Sector covered under Scheme The borrower engaged in primary/ service/ manufacturing sector would be considered for financial assistance by MLIs.

Type of Borrower Registered companies/ registered partnership firms having more than 51% shareholdings with Scheduled Caste promoters for the past six months having management control of the SC entrepreneurs/ promoters. Society registered under the Society Act and carrying business in accordance with the general policy of Bank/ FIs, having above 51% shareholdings with Scheduled Caste members at least for six months having management control of the SC entrepreneurs/ promoters. Sole Proprietorship firms of SC entrepreneurs/ individual SC entrepreneurs. The Scheduled Caste promoters of companies are given preference ahead of the Registered partnership firms and Registered Societies. The Scheduled Caste promoter/ partner/ members will not dilute his/ her/ their shareholding/ equity during the currency of the loan.

Lock-in Period The guarantee cover will have a lock-in period of 12 months from the date of last disbursement. No claim made under the guarantee shall be entertained by IFCI if the account becomes NPA within the lock in period.

Loan The term "Loan" shall cover Working Capital Loan, Term Loan / Composite Term Loan granted to SC Enterprises by (Money Lending Institutions) MLIs.

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. Thereafter, annual maintenance fees @ 0.50% p.a. (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. The upfront fee of 1.50% shall be debited to NLA as soon as the Scheme becomes operational and the annual maintenance fees will be recovered by IFCI by debiting the NLA on 01st April every year on an annualised basis. Cost to MLIs: Guarantee fee would be levied by IFCI (rates as per following table) on the guarantee cover provided for the First Year and then annual renewal fees of the outstanding Guarantee commitment/obligation, towards renewal of the Guarantee to be paid by MLIs at the beginning of each Financial Year, i.e. 01st April every year. In the event of non-payment of renewal fee by May 31st of that year or any other specified date, the guarantee under the scheme shall not be available to the lending institution/MLI unless IFCI agrees for the continuance of guarantee and the lending institutions/MLI pays penal interest on the renewal fee due and unpaid, with effect from the subsequent June 01, at four percent over IFCI Bench Mark Rate, per annum, or at such rates specified by IFCI from time to time, for the period of delay. The Guarantee obligation shall cease to exist as soon as the underlying loan is repaid or the Guarantee validity period has expired, whichever is earlier.

Benefits 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 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 Online 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 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; Frequently Asked Questions What types of sectors does the scheme cover? The borrower engaged in Primary/Manufacturing/Service sector may be considered for financial assistance by MLIs. I am a transgender, am I eligible for the course? Yes, The scheme has no gender restrictions. Which type of borrowers can be covered under the scheme? Registered Companies and Societies/Registered Partnership Firms/Sole Proprietorship firms/Individual SC Entrepreneurs having more than 51% shareholding by Scheduled Caste entrepreneurs/promoters/members with management control for the past 6 months engaged in the manufacturing and services sector are cover under the Scheme. Whether Individual and Sole Proprietorship firms are eligible to for the coverage under the scheme? Yes, an individual is covered in the scheme. Whether One Person company firms are eligible to for the coverage under the scheme? Yes, Registered companies including One Person Companies are eligible to be covered under the scheme. Whether the borrower can approach any bank to get the coverage in the scheme? No, Only the banks who have signed the undertaking for the scheme to become a member of the scheme known as Member Lending Institution (MLI) are allowed to get benefits of the scheme for their borrowers. The list of MLIs along with their Nodal Officers for the scheme is available on the IFCI's website, i.e. ifciltld.com and also on portal of the scheme, i.e. https://ifcicgssc.in Whether working capital laon is eligible to be covered under the scheme? Yes. The term

“Loan” shall cover Working Capital Loan, Term Loan/Composite Term loan granted to SC Enterprises by MLIs is covered under the scheme. What is the collateral security required to be given for the loan availed under the scheme? No Collateral security is required for the loan availed in the scheme. Whether third party guarantee is required for the loan availed under the scheme? No, Third party Guarantee is not required for the loan availed in the scheme. What is the maximum quantum of loan provided in the scheme? There is no restriction on the quantum of loan that a bank can sanction in the scheme. However, guarantee cover under the scheme will be minimum for Rs.0.15 crore and maximum Rs.5.00 crore. What are the kind of documentation required for the bank to become a MLI? An undertaking needs to be signed by the Bank to become MLI. What is the rate of interest that will be charged to the borrowers for loans covered under the scheme? The rate of interest admissible on the loans covered under the scheme will be per the interest rate policy of the MLI and will be linked to base rate of the MLI subject to maximum interest rate charged by MLI will not be more than 3% over and above the base rate of the MLI. What is the maximum tenure of the guarantee cover in the scheme? The maximum tenure of the guarantee cover may be upto 7 years or loan repayment period whichever is earlier. However, initially the loan shall be guaranteed for 1 years and renewed at yearly intervals.

Sources And References Scheme Guidelines Additional Guidelines Ok Was this helpful? News and Updates No new news and updates available Share Something went wrong. Please try again later. Ok You need to sign in before applying for schemes Cancel Sign In Something went wrong. Please try again later. Ok It seems you have already initiated your application earlier. To know more please visit Cancel Apply Now Check Eligibility Ministry Of Social Justice and Empowerment Credit Enhancement Guarantee Scheme For The Scheduled Castes Companies Entrepreneur Scheduled Caste Societies Details Benefits Eligibility Application Process Documents Required Frequently Asked Questions 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. To promote the financial inclusion of SC entrepreneurs and motivate them towards further growth of SC communities. To facilitate the economic development of SC entrepreneurs. To develop direct and indirect employment generation for the SC population in India.

Sector covered under Scheme The borrower engaged in primary/ service/ manufacturing sector would be considered for financial assistance by MLIs.

Type of Borrower Registered companies/ registered partnership firms having more than 51% shareholdings with Scheduled Caste promoters for the past six months having management control of the SC entrepreneurs/ promoters. Society registered under the Society Act and carrying business in accordance with the general policy of Bank/ FIs, having above 51% shareholdings with Scheduled Caste members at least for six months having management control of the SC entrepreneurs/ promoters. Sole Proprietorship firms of SC entrepreneurs/ individual SC entrepreneurs. The Scheduled Caste promoters of companies are given preference ahead of the Registered partnership firms and Registered Societies. The Scheduled Caste promoter/ partner/ members will not dilute his/ her/ their shareholding/ equity during the currency of the loan.

Lock-in Period The guarantee cover will have a lock-in period of 12 months from the date of last disbursement. No claim made under the guarantee shall be entertained by IFCI if the account becomes NPA within the lock in period.

Loan The term “Loan” shall cover Working Capital Loan, Term Loan / Composite Term Loan granted to SC Enterprises by (Money Lending Institutions) MLIs.

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. Thereafter, annual maintenance fees @ 0.50% p.a. (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. The upfront fee of 1.50% shall be debited to NLA as soon as the Scheme becomes operational and the annual maintenance fees will be recovered by IFCI by debiting the NLA on 01st April every year on an annualised basis. Cost to MLIs: Guarantee fee would be levied by IFCI (rates as per following table) on the guarantee cover provided for the First Year and then annual renewal fees of the outstanding Guarantee commitment/obligation, towards renewal of the Guarantee to be paid by MLIs at the beginning of each Financial Year, i.e. 01st April every year. In the event of non-payment of renewal fee by May 31st of that year or any other specified date, the guarantee under the scheme shall not be available to the lending institution/MLI unless IFCI agrees for the continuance of guarantee and the lending institutions/MLI pays penal interest on the renewal fee due and unpaid, with effect from the subsequent June 01, at four percent over IFCI Bench Mark Rate, per annum, or at such rates specified by IFCI from time to time, for the period of delay. The Guarantee obligation shall cease to exist as soon as the underlying loan is repaid or the Guarantee validity period has expired, whichever is earlier.

Ok Was this helpful? Share News and Updates No new news and updates available ©2024 Powered by Digital India Corporation (DIC) Ministry of Electronics & IT (MeitY) Government of India Quick Links About Us Contact Us Screen Reader Accessibility Statement Frequently Asked Questions Disclaimer Terms & Conditions Useful Links Get in touch 4th Floor, NeGD, Electronics Niketan, 6 CGO Complex, Lodhi Road, New Delhi - 110003, India support-myscheme[at]digitalindia[dot]gov[dot]in (011) 24303714 Last Updated On : 28/03/2024 | v-2.1.1