

# Credit enhancement Guarantee for Scheduled Caste

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It is a **Social Sector Initiative to be implemented nationally in order to promote entrepreneurship among the scheduled caste population in India.**

## Objectives of the Scheme

- **Promote entrepreneurship amongst the Scheduled Castes** who are oriented towards innovation and growth technologies.
- **To support, by way of providing Credit Enhancement Guarantee to Banks and Financial Institutions,** who will be providing financial assistance to the Scheduled Caste Entrepreneurs, who in turn will create wealth, value for the society, create jobs and ultimately will develop confidence and at the same time promote profitable businesses.
- To promote **financial inclusion for SC entrepreneurs** and to motivate them for further growth of SC communities.
- To facilitate economic development of SC entrepreneurs.
- To **enhance direct and indirect** employment generation for SC population in India

## Corpus of Scheme

The Government of India will provide a corpus of Rs. 200 crore to IFCI to carry out the Scheme which will be maintained under **"No Lien Account"** by IFCI as per directions of Ministry of Social Justice & Empowerment, Government of India.

## Eligibility

**Enterprises promoted and run by Scheduled Caste entrepreneur,**

under any other State/Central Government Subsidy/ Guarantee Schemes shall be considered.

### **Sectors covered under the scheme**

The borrower engaged in **Primary/Manufacturing/Service sector** may be considered for financial assistance by Member Lending Institutions(MLIs)

### **Type of borrower**

1. **Registered Companies/ Registered partnership Firms** having more than **51% shareholdings with Scheduled Caste promoter(s)** for the past 6 months having management control in the hands of SC entrepreneurs/promoters.
  2. **Society registered under the Society Act**, and carrying approved business as per the prevailing policy of Bank/FIs, having more than 51% shareholdings with Scheduled Caste member(s) at least for the past 6 months having management control in the hands of SC entrepreneurs/SC members.
  3. **Sole Proprietorship firms of SC Entrepreneurs/Individual SC Entrepreneur.**
- The Scheduled Caste promoters of Companies would be given precedence vis-a-vis Registered Partnership firms and Registered Societies.
  - The Scheduled Caste Promoter(s)/ Partner(s)/members shall not dilute his/her/their shareholdings/ equity during the currency of the loan.

### **Guarantees by IFCI**

- Subject to the other provisions of the Scheme, IFCI undertakes, in relation to credit facilities extended to an eligible borrower from time to time by an eligible institution/MLI which has entered into the necessary

agreement for this purpose with IFCI, to provide a guarantee on account of the said credit facilities.

- IFCI reserves the discretion to accept or reject any proposal referred by the lending institution/MLI which otherwise satisfies the norms of the Scheme.