

CREDIT ENHANCEMENT GUARANTEE SCHEME FOR SCHEDULED CASTES (CEGSSC)

The Department of Social Justice & Empowerment under the aegis of Ministry of Social Justice & Empowerment, Government of India, has sponsored the "Credit Enhancement Guarantee Scheme for Scheduled Castes" under its social sector initiatives. The objective of the Scheme is to promote entrepreneurship amongst the Scheduled Castes, by providing Credit Enhancement Guarantee to Member Lending Institutions (MLIs), who shall be providing financial assistance to these entrepreneurs. The Government of India has initially allocated a corpus of ₹200 crore for the Scheme and contributing annually ₹0.01 crore and Government may further contribute depending upon utilization of funds. Out of the fund, the guarantee cover is extended to the Member Lending Institutions. IFCI has been designated as the Nodal Agency under the Scheme, to issue the guarantee cover in favour of Member Lending Institutions, who shall be encouraged to finance Scheduled Caste entrepreneurs to boost entrepreneurship amongst the marginal strata of the Society.

As per the scheme, the MLI (Bank) shall receive the application from the eligible SC entrepreneurs and process the same as per the terms of lending of the respective bank and sanction the loan under the scheme. The Bank shall forward the application to IFCI Ltd. for issuance of registration / token No. On receipt of sanction letter IFCI shall issue the token no. to the Bank and Bank shall remit the guarantee fee to IFCI and IFCI shall sanction the guarantee cover to the Bank as per the scheme.

Objective of the Scheme:

"**Entrepreneurship**" relates to entrepreneurs managing businesses which are oriented towards innovation and growth technologies. The spirit of the above mentioned fund is to support those entrepreneurs who will create wealth, value for the society, create jobs and in turn will develop confidence and at the same time promote profitable businesses.

The objectives of the Scheme are as below:

- It is a Social Sector Initiative to be implemented nationally in order to promote entrepreneurship among the Scheduled Caste population in India.
- 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. The assets so created will also create forward/ backward linkages. It will further create chain effect in the locality in specific and society in general.
- 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.

Eligibility Criteria to be considered by MLIs:

- 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/ MLI's 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.

Amount of Guarantee Cover :

Parameters	Loan amount (Rs. in Crore)			
	Rs 0.15 to Rs 1.00	Rs. 1.00 to Rs. 2.00	Rs. 2.00 to Rs. 5.00 #	More than Rs. 5.00 #
Amount of guarantee cover	100 % of the sanctioned facility	80% of the sanctioned facility	70% of the sanctioned facility	50% of the sanctioned facility
Guarantee Obligation	100% of the amount in default subject to maximum of amount of guarantee cover	80% of the amount in default subject to maximum of amount of guarantee cover	70% of the amount in default subject to maximum of amount of guarantee cover	50% of the amount in default subject to maximum of amount of guarantee cover
Minimum Cover Available	0.15	1.00	1.60	3.50
Maximum Cover Available	1.00	1.60	3.50	5.00

Guarantee Fee:

S. No.	Category	SC Entrepreneur other than SC Women Entrepreneur	SC Women Entrepreneur
1.	Guarantee cover of loan amount of Rs. 0.15 to upto Rs. 1.00 Crore	0.20% p.a.	0.10% p.a.
2.	Guarantee cover of loan amount of Rs. 1.00 Crore and above	0.75% p.a.	0.50% p.a.

