

**No. 14020/03/2014-SCD-IV**  
**Government of India**  
**Ministry of Social Justice & Empowerment**  
**Department of Social Justice & Empowerment**

Shastri Bhawan, New Delhi - 110001

Dated: 10 August, 2017

To,

The General Manager,  
Credit Enhancement Guarantee Scheme for Scheduled Castes  
16<sup>th</sup> Floor, IFCI Tower, 61 Nehru Place,  
New Delhi-110016

**Sub: Modifications in the Operation Guidelines in respect of Credit Enhancement Guarantee Scheme for Scheduled Castes :-**

Sir,

I am directed to refer to the subject mentioned above and to apprise you that as per approval of the Standing Finance Committee in its meeting of 17.07.2017, and subsequent approval by the competent authority, the guidelines under the scheme of Credit Enhancement Guarantee Scheme for Scheduled Castes stands modified to the extent indicated in the table below:

Indicators	Existing Guidelines under CEGSSC	Proposed Modifications in the operational guidelines under CEGSSC
Eligibility Criteria	The guarantee shall be extended for availing Term Loan or Composite Term Loan facility granted by MLIs.	Credit Enhancement Guarantee for Scheduled Castes Entrepreneurs shall be extended for loans for Working Capital also in addition to Term Loans or Composite Term Loans to SC entrepreneur.
Loan Amount	Minimum limit of loan amount is Rs. 25 lakh.	Minimum limit of the loan amount is reduced from Rs. 25.00 lakh to Rs. 15.00 lakh.
Type of borrower	Registered Companies/ Partnership Firms/ Society registered/ Sole Proprietorship Firms	In addition to Registered Companies/ Societies/ Registered Partnership Firms / Sole Proprietorship Firms, Individual SC Entrepreneur will also be eligible under the scheme for a guarantee cover of Rs. 0.15 to upto 1.00 crore only.
Sector covered under Scheme	The borrower engaged in Manufacturing/Trading / Service sector may be considered for financial assistance by MLIs.	The project units being set-up, promoted and run by Scheduled Castes in Primary Sector such as commercial agriculture, food processing, horticulture, poultry etc. will also be considered in addition to the existing Manufacturing/Trading & Service Sector.



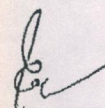
Shareholding	Registered Companies/ Partnership Firms/ Society registered/ Sole Proprietorship Firms having more than 75% shareholding by Scheduled Caste entrepreneurs/ promoters/ members with management control for the past 12 months	The shareholding of SC Entrepreneur/ Promoter/ Member/ in the Registered Companies/ Registered Partnership Firms/ Societies/ Sole Proprietorship Firms/ Individual SC Entrepreneurs will be reduced from the existing 75% to 51% with management control of 6 months. In order to meet the criteria of a Women Entrepreneur, at least 50% of the 51% of total shareholding held by SC entrepreneur may be held by SC Women with 6 months management control.																													
Guarantee Cover	The amount of guarantee cover is shown in the following table: <table><tr><th>S. No.</th><th>Loan Amount (Rs. in Crore)</th><th>Guarantee Cover</th></tr><tr><td>1</td><td>Rs. 0.25-Rs. 2.00</td><td>80%</td></tr><tr><td>2</td><td>Rs. 2.00-Rs. 5.00</td><td>70%</td></tr><tr><td>3</td><td>Rs. 5.00 and above</td><td>60%</td></tr></table>	S. No.	Loan Amount (Rs. in Crore)	Guarantee Cover	1	Rs. 0.25-Rs. 2.00	80%	2	Rs. 2.00-Rs. 5.00	70%	3	Rs. 5.00 and above	60%	The amount of guarantee cover will be as follows: <table><tr><th>S. No.</th><th>Loan Amount (Rs. in Crore)</th><th>Guarantee Cover</th></tr><tr><td>1</td><td>Rs. 0.15 to Rs. 1.00</td><td>100%</td></tr><tr><td>2</td><td>Rs. 1.00-Rs. 2.00</td><td>80%</td></tr><tr><td>3</td><td>Rs. 2.00-Rs. 5.00</td><td>70%</td></tr><tr><td>4</td><td>Rs. 5.00 and above</td><td>60%</td></tr></table>			S. No.	Loan Amount (Rs. in Crore)	Guarantee Cover	1	Rs. 0.15 to Rs. 1.00	100%	2	Rs. 1.00-Rs. 2.00	80%	3	Rs. 2.00-Rs. 5.00	70%	4	Rs. 5.00 and above	60%
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Guarantee Fee	Guarantee fee @1% per annum (exclusive of applicable taxes) on the sanctioned limit for the First Year and thereafter annual renewal fees@1% per annum (exclusive of applicable taxes) of the outstanding Guarantee commitment/obligation towards renewal of the guarantee, to be paid by MLIs on 1 <sup>st</sup> April of each subsequent Financial Year.	1) Guarantee fee will be charged by IFCI based on the following rates (exclusive of applicable taxes) : <table><tr><th>S. No.</th><th>Category</th><th>SC Entrepreneur other than SC Women Entrepreneur</th><th>SC Women /SC Disabled Entrepreneur</th></tr><tr><td>1.</td><td>Guarantee cover of loan amount of Rs. 0.15 to Rs up to 1.00 Crore</td><td>0.20% p.a.</td><td>0.10% p.a.</td></tr><tr><td>2.</td><td>Guarantee cover of loan amount of Rs. 1.00 Crore and above</td><td>0.75% p.a.</td><td>0.50% p.a.</td></tr></table> 2) Guarantee fee will be charged by IFCI of the guarantee cover provided (instead of sanctioned amount ) in the first year and thereafter annual renewal fees as per rates above.			S. No.	Category	SC Entrepreneur other than SC Women Entrepreneur	SC Women /SC Disabled Entrepreneur	1.	Guarantee cover of loan amount of Rs. 0.15 to Rs up to 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.															
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2. The Guarantee Cover under the scheme will also be provided to Start-ups of SC Entrepreneur.
3. Any SC Entrepreneur irrespective of Small/Medium Entrepreneur will be eligible.
4. The projects units being set-up, promoted and run by Scheduled Castes covered under any State/Central Government Subsidy/Grant Scheme will be considered.
5. All other guidelines and conditions of financial assistance under the scheme would remain unchanged.
6. It is imperative that the aforesaid modifications may be implemented with immediate effect and adequately published to ensure better coverage under the Scheme.
7. A copy of the revised operational guidelines of the Scheme is enclosed.
8. This issues with approval of the competent authority.

Yours faithfully

Encl: As above



(B.L.Meena)

Joint Secretary to Govt. of India

Tel. 23384284