

**SCHEME OF ASSISTANCE TO STATE
SCHEDULED CASTES DEVELOPMENT
CORPORATION (SCDCs)
(REVISED GUIDELINES 2017-18)**

Introduction

The scheme for assistance to Scheduled Castes Development Corporations was introduced in the year 1978-79 as a Centrally Sponsored Scheme in the States/UTs having sizeable Scheduled Castes population. At present, SCDCs are functioning in 23 States and 4 UTs. They are playing an extremely useful role in mobilisation of finance of **economic development of the Scheduled Castes living below the poverty line**. They have been acting as promoters and catalysts for generating credit from financial institution, providing missing inputs by way of margin money loans and subsidy to the target groups. SCDCs have focused their efforts for identification of eligible SC families and motivating them to undertake suitable economic development schemes, sponsoring these schemes to financial institution for credit support, providing financial assistance in the form of margin money on low rate of interest and subsidy in order to reduce their repayment liability and providing necessary link/tie up with other poverty alleviation programmes.

Pattern of Scheme

The existing pattern of the Scheme is as follows:

- (i) The Government of India and State Government have been participating in the share capital of the State Scheduled Castes Development Corporations in the ration of 49:51.
- (ii) The cost norms of the projects/schemes have been left to the State Government and SCDCs.
- (iii) The Central share of equity capital is sent directly to the State SCDCs. Wherever necessary, the Ministry might route the funds through the National Scheduled Castes and Scheduled Tribes Finance and Development Corporations (NSFDC).
- (iv) The quantum and ceiling of subsidy in the same as for the schemes in IRDP; and
- (v) There are two nominees on the Board of Management of the State SCDCs-one from the NSFDC and the other from Government of India. The nominees, as far as possible, are to be professional and not necessarily the officers of either the Central Government or of NSFDC.

Objectives:

The objectives are:

- (1) Identification of eligible SC families and motivating them to undertake economic development schemes.
- (2) Sponsoring those schemes to financial institutions for credit support.
- (3) Providing financial assistance in form of margin money on low rate of interest and subsidy in order to reduce their repayment liability; and

(4) Providing necessary link/tie up with other poverty alleviation programme.

Types of Schemes:

All the employment oriented schemes.

Eligibility criteria:

As per the State Channelizing Agencies

Pattern of release of funds to SCDCs

It has been approved that for disbursement of funds, the viability of the State Channelizing Agencies as evaluated by the National Scheduled Caste Finance & Development Corporation (NSFDC) of this Ministry would also be taken into consideration. The existing pattern of release of funds to SCDCs has been reviewed by the Central Government and it has now been decided that instead of automatic release in the ratio 49:51, Central Share equity released shall be subject to:-

- (a) Evaluation report of NSFDC regarding viability of SCAs for grant disbursement.
- (b) Utilisation of 75% Share Equity Capital released by Central Government to SCDCs.
- (c) Prior release of State share to SCDC.
- (d) Ability of the SCDC to raise additional resources from financial institutions including banks.

Incentives to the SCDCs to Improve Recoveries

A fund for providing incentive to SCDCs will be created in the apex corporation for improvement in grass root recoveries by SCDC.

The concerned apex corporations will issue guidelines regarding operation of incentive fund, separately.
