

Directorate for Welfare of OBCs & SC, Manipur and Manipur State Co-operative Bank Ltd initiative for "taking up viable Income Generating Activities by eligible Scheduled Caste Persons, through a mix of institutional finance and subsidy" a sub-scheme under Centrally Sponsored Scheme of Special Central Assistance to Scheduled Caste Sub Plan (SCA to SCSP).

1. Background

- 1.1 Directorate for Welfare of Other Backward Classes and SC, Manipur is implementing the Centrally Sponsored Scheme of Special Central Assistance to Scheduled Caste Sub Plan (SCA to SCSP) for the socio-economic development and protection of SCs in the State of Manipur. Scheduled Caste constitute 3% of the population of the State and reside in rural areas of the valley districts of the State.
- 1.2 Directorate for Welfare of Other Backward Classes and SC, Manipur in partnership of Manipur State Cooperative Bank Ltd proposes to implement sub schemes of the SCA to SCSP for taking up viable income generating activities for SC beneficiaries, through a mix of institutional finance and subsidy.
- 1.3 The scheme envisages to extend the facilities of institutional finance in setting up small self-sustaining home business amongst the vulnerable Scheduled Caste families.

2. Objectives of the Scheme

- 2.1 The main objective of the scheme is to increase the income of the target population by way of various income generating activities.
- 2.2 To reduce the poverty among the target population and bring them above the poverty lines.

3. Eligibility Criteria

- 3.1 The Scheduled Castes persons living below the poverty lines are eligible for getting benefits under the various Income Generating Schemes.
- 3.2 As regards definition of poverty line and selection of SC families living below poverty line is concerned, the guidelines issued by the erstwhile Planning Commission and the procedure laid down by the Ministry of Rural Development for selecting the beneficiaries through the Panchayati Raj institutions may be adopted.

3.3 Scope of the Schemes

- i) SC families living below the poverty line are to be assisted for taking up viable income generating activities, through a mix of institutional finance and subsidy.
- ii) Eligible Scheduled Caste person shall submit the project proposal in the prescribed format for taking up income generating activities to be advertised by

- the Directorate. The project proposal shall include loan and subsidy component.
- iii) The maximum limit of eligible loan, being interest bearing against the project cost will be determined by Manipur State Co-operative Bank Ltd being the Primary Lending Institute (PLI) under the scheme.
 - iv) The maximum amount of subsidy against project costs admissible under the Scheme is Rs. 10,000/- per beneficiary (50 % of the project cost or maximum of Rs. 10,000/- per beneficiary whichever is lesser).
 - v) An illustrative list of items under various development sectors that can be covered under Special Central Assistance to Scheduled Caste Sub-Plan for Income Generating Schemes is enclosed at Annexure-I. The activities approved by the Government will be taken up under the scheme.

4. **Special Provisions for SC Women and Disabled:**

- i) Up to 15 % of the total subsidy will be utilized on viable income generating economic development schemes/ programmes for SC women.
- ii) 5% of the total subsidy will be utilized exclusively on viable income generating economic development schemes/programmes for disabled persons.
- iii) Initiative will be taken to promote Scheduled Caste Women Cooperatives engaged in production and marketing of consumer goods and services.

5. **Constitution of the Project Approval Committee**

For overall guidance and monitoring of the scheme, a Committee to appraise and approve the projects/activity submitted under the scheme will be constituted with the following members.

- i) Secretary (OBC & SC), Government of Manipur
- ii) Managing Director, Manipur State Co-operative Bank Ltd.
- iii) Director, Institutional Finance, Government of Manipur
- iv) Director, Welfare of OBCs & SC, Manipur

5.1 **Functions of the Project Approval Committee.**

The functions of the Project Approval Committee (PAC) would be as follows:

- i) The Committee will appraise and approve the eligible Scheduled Caste beneficiaries for income generating schemes/activities recommended by the Screening Committee formed at the Directorate level.
- ii) The Committee will review the progress made under the scheme.
- iii) The Committee will review the monitoring mechanism followed and also suggest appropriate monitoring mechanisms for effective implementation of the scheme as per the extant guidelines.

- iv) The Committee will review the utilization of allocation under the scheme at least once bi-annually.

6. Constitution of the Screening Committee

A Screening Committee under the scheme shall be constituted at the Directorate level with members from Administrative Department and PLI for screening the project proposals submitted by the eligible Scheduled Caste person for placing before the Project Approval Committee. The composition of the Screening Committee will be as under.

- i) Director, Welfare of OBCs & SC, Manipur
- ii) Representative of Manipur State Co-operative Bank Ltd.
- iii) Government Nominee – to be nominated by Secretary (OBC & SC), Government of Manipur
- iv) Scheme Officer, Welfare of OBCs & SC, Manipur
- v) Any other member(s) to be co-opted by Director, Welfare of OBCs & SC, Manipur

7. How the scheme will work:

- 7.1 Eligible scheduled caste person will apply in the prescribed project application format for undertaking income generating activities under this Scheme to the Director, Directorate for Welfare of OBCs & SC, Manipur.
- 7.2 The maximum limit of eligible loan against the project cost, being interest bearing will be determined by Manipur State Co-operative Bank Ltd being the Primary Lending Institute (PLI) under the scheme.
- 7.3 The maximum amount of subsidy against project costs admissible under the Scheme is Rs. 10,000/- per beneficiary (50% of the project cost or maximum of Rs. 10,000/- per beneficiary whichever is lesser).
- 7.4 Selected scheduled caste person will pay interest on the term loan component after a moratorium period. E.g, if the beneficiary applies for Rs. 50,000/- loan, subsidy of Rs. 10,000/- will be given to PLI, and the beneficiary will pay interest on the balance amount of Rs. 40,000/-.
- 7.5 All the proposed project cleared by the Screening Committee will be referred to PLI for risk assessment and credit worthiness of the person, before submission to the Project Approval Committee for its consideration. The PLI will complete the task within 15 days of referring the matter to them.
- 7.6 Moratorium period is six months (or 180 days) from the date of loan disbursement.
- 7.7 Wide publicity of scheme including project proposal advertisement will done by the Directorate in print and electronic media, awareness programme etc.

8. Other terms & Conditions:

- 8.1 All payments to be made in electronic mode.

- 8.2 Risk assessment and credit worthiness of the beneficiaries/persons will be done by the PLI.
- 8.3 Loan repayment by beneficiaries (capital + interest) to be made to PLI as per terms decided between the beneficiary and the PLI.
- 8.4 The interest will be charged at the prevailing MSCB interest rate for term loans and the subsidy component will be disbursed directly into the beneficiary account within 10 days of the loan being sanctioned.
- 8.5 In case of defaulting of loan repayment, PLI will take necessary steps for loan recovery. The Directorate will not be liable for any default of loan repayment.
- 8.6 The Directorate shall not be liable to any action, claims, proceedings, costs, damage suffered by the beneficiary in the implementation of the scheme other than providing subsidy at the agreed rate.
- 8.7 The terms and conditions of Manipur State Cooperative Bank Ltd will prevail in the sanctioned term loans to the beneficiary and the Directorate will provide the subsidy component only.
- 8.8 PLI will submit a quarterly beneficiary wise report to the Directorate, detailing amount of loan disbursed, tenure of loan, loan repayment schedule, nature of loan disbursed, loan default etc. in prescribed format to be communicated later.
- 8.9 Directorate for Welfare of OBCs & SC, Manipur and Manipur State Co-operative Bank Ltd will sign a Memorandum of Understanding (MoU) to give effect to the above terms and conditions.