

I/35813/2024

No.14020/07/2020-SCD-IV(Part4)
Government of India
Ministry of Social Justice and Empowerment
Department of Social Justice & Empowerment
(SCD-IV Section)

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Shastri Bhavan,
New Delhi-11.

Dated, the 02 Feb., 2024

To

Shri V. Anish Babu, MD
IFCI Venture Capital Fund Ltd.,
IFCI Tower, 16th Floor,
Nehru Place,
New Delhi-110 019.

Subject: Reduction in Coupon / Rate of Interest under Venture Capital Fund for Backward Classes

Sir,

I am directed to refer to your letter No.VCF-SC&BC/2023-24/20102375 dated 23 Sept., 2023 on the above subject. IFCI proposal for reduction in coupon / rate of interest in the Scheme of Venture Capital Fund for Backward Classes in support of the BC community entrepreneurs has been examined in consultation with Deptt. of Expenditure. The proposed modification in the Expected Returns through Investment has been approved as under:

Indicator	Proposed Modification	Approval
Expected returns through investment	In Equity investment return at the time of exit by way of buy back / strategic investment / IPO shall be 6% p.a. or as per the valuation whichever is higher. b. Debt Convertible Instruments - 6.00% p.a. for women*/disabled**BC entrepreneurs - 5.75%	DoE may have no objection to this change subject to the condition that care and due diligence may be exercised to ensure that such persons are not used as "fronts" for the enterprise.

2. It is requested that necessary modification in the operational guidelines for financial assistance to Backward Classes Entrepreneurs under details of financial assistance may be made to the extent indicated above.

This issues with the approval of the Competent Authority.

Yours faithfully,

(Tual Za Kam)
Under Secretary to the Govt. of India
E-mail ID:tual.zakam@nic.in

2/2/24