

The guidelines of Deen Dayal Upadhyay Swavalamban Yojana (DDUSY) have been notified by the government vide notification of even number dated May 16, 2017. The following additional clarifications are hereby issued for the Deputy Commissioners:

- a) An application form for the use of entrepreneurs has been designed and uploaded at the website of DC Capital complex which can be accessed at the web link : <http://www.itanagar.nic.in/scheme.html>
- b) The District Level Screening Committee (DLSC) chaired by Deputy Commissioner has to ensure a transparent and fair mechanism to select the applicants. The Committee should be aware about the content of the FAQ unveiled by HCM on 04 July 2017. The key parameters which need to be assessed/ensured by the DLSC are :
 - i. Applicant must be an APST.
 - ii. Application should be accepted for only identified activities: (i) Value addition in agriculture, horticulture and allied sectors, (ii) Eco-tourism including home stays and tour operators, (iii) Tradition Textile Weaving – modernization/ purchase of new looms and (iv) Small scale manufacturing units.
 - iii. For small Scale manufacturing units, only Graduated can apply. Graduates having done some specialized courses in the area in which the enterprise is being proposed by him, should be given preference.
 - iv. If the enterprise is proposed to be a Joint Venture (JV), the lead partner of the company must be an APST and at least 51% of the shareholding and controlling stake should be held by either an SC/ST or Woman entrepreneur.
 - v. DLSC should satisfy itself about the availability of Land /Building (own or leased-in) for setting up of the unit.
 - vi. The Project Cost should not include the cost of land as a project component. In addition to the availability of land, additional 10% of the project cost should come as margin money from the entrepreneur.
 - vii. The Lead District Bank Manager (LDM) may be asked to ascertain from CIBIL data base whether the applicant is a loan defaulter to any bank in the past/present. No application of loan defaulters should be considered in the scheme.

- viii. The DLSC should see that the size/capacity of the unit is just appropriate keeping in view the availability of raw material to run the unit, recruitment of skilled manpower to operate the machinery, the availability, transportation cost & arrangement for repairing of machineries/ equipment to be procured to establish the units, and finally the demand for the produce & marketing tie-up for final product.
 - ix. Viability as well as bankability of the project to be ensured. The project should give adequate returns to be able to repay the loans.
 - x. The loan should be self-liquidating from the income generated out of the unit established. However, the annual family income from various sources (service, business, trade) & bank balance should also be assessed to see the risk bearing ability of the entrepreneur during the time of stress.
 - xi. Gestation period required (the time taken for income stream reaching to maximum level/ capacity) for the unit should be assessed. Ideally the revenue stream from the project should start within two years from the date of sanction of loans.
 - xii. In case of a start up, the applicant may be guided to register himself at the Start Up India Hub: startupindiahub.org.in
 - xiii. For women entrepreneurs as well, care must be taken to assess whether the applicant is herself an entrepreneur or is just a dummy applicant to claim additional subsidy on behalf of someone.
 - xiv. Projects cost of more than Rs 10 lakh to Rs 1.0 crore will be considered for eligibility of subsidy. The subsidy will be restricted to 30% of project cost or maximum of Rs. 30.0 lakh. Bank or FI may consider financing unit with higher project cost (more than Rs. 1.0 crore), if they found it viable & bankable, however subsidy would be limited to 30% project cost or maximum of Rs. 30.0 lakh.
- c) Once a project is recommended by DLSC, the application will be sent to the next higher State Level Screening Committee (SLSC) and the applicant would be required to prepare a DPR & presentation before the SLSC for which some guidance would be provided by the DC as well as the Entrepreneurship development officer.

- d) A sub group of Bankers comprising the following will assist the SLSC in screening and evaluating the DPR by way of vetting of proposals from feasibility, viability & bankability of the project:
1. Regional Manager SBI Itanagar
 2. MD Apex Bank
 3. Chairman APRB
 4. Senior manager Vijaya Bank
 5. Senior Manager, Canara Bank
 6. Lead Bank Manager
- e) Once the SLSC finds that the project has potential to be a successful unit, if implemented properly, it may forward the proposal to a bank for appraisal & sanction at their end. The total number of proposals to be recommended & forwarded by SLSC to banks would be constrained by the quantum of budgetary provisions made for subsidy for the year 2017-18.
- f) The concerned bank would sanction the loan in normal course unless there is some serious infirmity in the application/ viability & bankability related issue of the unit. Once application is recommended by the SLSC, the applicant would have to registered at the Stand Up India portal www.standupmitra.in
- g) The Bank would apply for claim of subsidy (30% of project cost) from NABARD in the prescribed format after sanctioning of loan to the entrepreneur. The subsidy would be released by NABARD subject to availability of fund parked by State Government in Advance.
- h) Since subsidy is back-ended, it will not be credited to the beneficiaries account unless he repays the rest of the loan amount (Loan sanctioned – eligible subsidy). The subsidy will not available if the loan account is irregular.
- i) The state level committee would meet once a month and track the applications, the status of previous sanctions etc.
- j) The IT department will be preparing a state level portal for monitoring of progress of flow of applications (district wise) for MIS purpose and for tracking the status of sanction of loan & establishment of sanctioned units.