

## **FAQ on “Deen Dayal Upadhyaya Swalamban Yojana”**

### **1. What is the genesis of “Deen Dayal Upadhyaya Swalamban Yojana”?**

The "Deen Dayal Upadhyaya Swalamban Yojana" initiative was announced in the Budget speech of Finance Minister in March, 2017 to encourage unemployed youth for Entrepreneurship through formal banking channels. The scheme would be operated through all bank branch network of scheduled commercial banks across the State (Except Arunachal Pradesh Rural Bank (APRB) & Arunachal Pradesh State Co-operative Apex Bank Ltd (Apex Bank)).

### **2. What is the objective of “Deen Dayal Upadhyaya Swalamban Yojana”?**

The objective of the Deen Dayal Upadhyaya Swalamban Yojana scheme is to facilitate bank loans between Rs 10 lakh and Rs 1 Crore for setting up greenfield enterprises. This enterprises should be in (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. Priority would be given to qualified graduates. In case of non-individual enterprises at least 51% of the shareholding and controlling stake should be held by either an APST entrepreneur.

### **3. Who are the target clients under Deen Dayal Upadhyaya Swalamban Yojana / what kind of borrowers are eligible for loans?**

APST entrepreneurs setting up new enterprises are eligible for availing loans under Deen Dayal Upadhyaya Swalamban Yojana.

#### **4. What will be the eligible lending institutions and the nature of loan under the Deen Dayal Upadhyaya Swalamban Yojana?**

The loan under Swalamban Yojana can be availed from a branch of any Scheduled Commercial Banks located across the state.

Composite loan (inclusive of term loan and working capital) between Rs 10 lakh and upto Rs 100 lakh representing upto 75% of the project cost would be eligible.

#### **5. What is the rate of interest charged under the Deen Dayal Upadhyaya Swalamban Yojana?**

The rate of interest would be lowest applicable rate of the bank for that category (rating category) not to exceed (base rate (MCLR) + 3%+ tenor premium).

#### **6. What is the support available from Govt. of Arunachal Pradesh?**

(i) 30% back ended capital investment subsidy.

(ii) Women entrepreneurs will get additional 5% interest subvention annually, but the loan must not become NPA.

#### **7. What is back ended capital subsidy?**

For example, if an entrepreneur takes loan of Rs. 10.0 lakh, the subsidy amount of Rs. 3.0 lakh will be adjusted towards repayment of last loan installments. Clearly timely repayment of loans is a crucial parameter for availing subsidy.

### **8. What is 5% interest subvention for women?**

Suppose bank charges an interest of 12% on the loan availed by the entrepreneur under 'Swalamban Scheme', the women beneficiary will get loan at 7% interest rate of interest which will be in addition to Rs. 3.0 lakh of capital subsidy on a loan of Rs 10.0 lakhs

### **9. What is the margin money/ own contribution to set up an unit under Swalamban Yojana?**

Entrepreneurs would be required to contribute at least 10% of the project cost as margin money/ their contribution. Preference will be given to those who will contribute greater contribution.

### **10. How to apply to this scheme?**

(i) The interested entrepreneurs have to prepare a concept note/DPR on any one of the eligible activities which he/she intends to take up as enterprise and is also confident of running the business; can submit the application to Deputy Commissioner Office of his district. Before submitting the application, the entrepreneur should satisfy himself that the activity chosen by him/her has good potential for business in his area. He/she will not face any problem regarding availability of raw material, plants/machinery required for setting up the unit as well marketability of the final output. The entrepreneur should have complete understanding of the component-wise break-up of the project cost and the economics of the unit.

(ii) ADC (HQ) at district level will function as 'Entrepreneurship Development Office'. ADC (HQ) will convene 'District Level Screening Committee meeting' (DLSC) under the chairmanship of DC will be convened by the ADC (HQ).

(iii) Applicants will have to make a presentation and/or interview before the DLSC. The applications found suitable by the DLSC will be sent to the second level of screening committee, i.e., State Level Committee (SLC), which will be chaired by the Finance Commissioner. All key banks will be part of this committee

(iv) If application of an entrepreneur is found suitable and recommended by the State level SLC, then the entrepreneur will have register himself at [www.standupmitra.in](http://www.standupmitra.in) online, where they have to upload the DPR.

(v) The selected applications will be sent to a bank of the choice of the in his area of operation. The bank after receiving the application will evaluate the project from the viability angle and if project if considered viable by the bank, the entrepreneur will be extended the loan after completing all necessary documentation required by the bank. Needless to say, the recommendation of SLC will be given weightage.

#### **11. What are the schemes for loan requirement upto Rs 10.00 lakh ?**

For loans below Rs. 10.0 lakh, banks are already lending under their existing schemes. Further, MUDRA Ltd. also operates 3 schemes namely Shishu/kishor/Tarun through banks for loan upto Rs 10.00 lakh. Please visit [www.mudra.org.in](http://www.mudra.org.in) for further details.

#### **12. What will be the security requirement under the Deen Dayal Upadhyaya Swalamban Yojana?**

In addition to mortgage/hypothecation of Primary Asset acquired out of loan, the loan may also be secured by collateral security or guarantee of Credit Guarantee Scheme for Stand-Up India Loans (CGSSI) as decided by the banks.

### **13. What is the repayment tenure under the scheme ?**

The repayment period of the composite loan is to be fixed depending upon nature of the activity and useful life of assets purchased with bank loan but not to exceed 7 years with a maximum repayment grace period of 18 months.

### **14. What are the Salient Features of the Credit Guarantee Fund Scheme for Stand-Up India Loans (CGFSIL) ?**

**Eligibility** - Stand-Up India Loans of over 10 lakh and upto 100 lakh extended by eligible Lending Institution(s) to an eligible borrower on or after entering into an agreement with National Credit Guarantee Trustee Company (NCGTC).

- **Guarantee Fee** - Annual Guarantee Fee (AGF) of 0.85% p.a. on the credit facility sanctioned (comprising term loan and / or working capital facility).
- **Guarantee Fee** shall be paid upfront to the Trust by the eligible institution availing of the guarantee and to be shared equally between bank and the borrower.

### **15. What will be the other benefits under the Scheme ?**

Apart from linking prospective borrowers to banks for loans , the web portal designed by SIDBI for Stand-Up India Scheme also provides handholding support through a network of agencies engaged in training, skill development, mentoring, project report preparation, application filling, work shed/utility support services, subsidy schemes etc.

### **16. How one can get handholding support?**

One may navigate through the portal [www.standupmitra.in](http://www.standupmitra.in) or seek assistance from connect centre (preferably NABARD & SIDBI) nearest to you to help you identify the

nature of handholding support required. Broadly handholding support has been segregated in 7 areas of expertise viz. Skilling (Vocational), Financial Literacy training, Entrepreneurship Development Program, Mentoring, Project Report Preparation, Loan Application filling, Work sheds from DICs and Margin Money for Subsidy Support. Government of India has also launched a portal [startupindia.gov.in](http://startupindia.gov.in) to provide information and support start ups.

**17. Is plantation activity is eligible under the scheme?**

No, only value addition activities aimed at setting up an unit under Agri-Horti & allied activities are eligible.

**18. How bank will sanction the loan and claim the subsidy ?**

- Banks will scrutinize the proposals as per their prescribed norms.
- Banks to help applicants in filling up of loan application form prescribed by the respective banks.
- Banks to sanction loan to eligible and viable projects and entrepreneurs within a reasonable time from date of receipt of application from SLC. Banks will get CGFT coverage for each a/c.
- Banks will submit subsidy claim to NABARD in prescribed format along with copy of sanction letter and In-principle subsidy approval letter of SLSC.

**19. When will the process of sanctioning the project start**

All Deputy Commissioners have been issued detailed guidelines and now individuals can apply to DC's office. The SLC meeting will be convened by Finance Commissioner on the

first Monday of each month to consider new proposals and review sanction status of old proposals

**20. What is the DPR format for applying?**

A model DPR format can be downloaded by visiting <http://www.itanagar.nic.in/scheme.html>

**21. Which bank will give me the loan?**

Any Scheduled Commercial Banks like - SBI, ICICI, HDFC, Canara bank, Central bank of India, Union bank of India, Vijaya bank & Bank of India etc.

**22. Will Govt. Agencies prepare DPR for Beneficiaries?**

No, prospective beneficiaries have to prepare DPR themselves but ask for assistance from D.C. Office.