

## **SWAMI VIVEKANANDA ASSAM YOUTH EMPOWERMENT (SVAYEM) YOJANA**

### **1. Background**

Swami Vivekananda Assam Youth Empowerment (SVAYEM) Yojana announced by the Hon'ble Finance Minister of Assam in his budget speech on 7<sup>th</sup> February, 2017, is a flagship program to provide financial support to the youths of Assam to take up income generating activities in the manufacturing, trading and service sector.

### **2. Objectives**

- a. To generate employment opportunities in rural as well as urban areas through setting up of new ventures as well as growing existing ventures.
- b. To provide financial assistance to micro and small business entities engaged in the manufacturing, trading and services sector.
- c. To provide financial assistance for enhancement of income level of traditional artisans ensuring sustainable growth.

### **3. Area of implementation**

All districts of Assam including autonomous district councils

### **4. Coverage and targeted group**

- a. About One lakh youth of Assam will be provided suitable credit support for taking up income generating enterprises.
- b. The number of beneficiaries will be selected in a district in proportion to the population.

### **5. Nature of activities**

- a. Manufacturing
- b. Processing
- c. Service Sector
- d. Trading
- e. Rural Transport Service (Auto Rickshaw, e-Rickshaw)

- f. Tourism
- g. Shops, repairing Centres, Handicraft, Cottage Industries etc.

## **6. Negative list of activities**

- a. Manufacturing of intoxicant items
- b. Beedi, Panmasala, Cigarette, etc.
- c. Sales outlet of Liquor
- d. Plastic bags below 40 microns

## **7. Eligibility criteria for the beneficiary**

- a. Residents of Assam above 18 years of age.
- b. There will be no income ceiling for getting assistance under this scheme.
- c. The individual beneficiary should have skills, experiences, knowledge, etc., to undertake the income generating activities.
- d. The beneficiary should possess educational qualification of at least Class VII standard.
- e. The beneficiary who has already completed Skill Development Training will be given preference.
- f. The beneficiary must not be the defaulter of any loan. If information submitted by the beneficiary is found to be incorrect later, action would be taken against the beneficiary including cancellation of loan, recovery of amount as Bakijai and also blacklisting for future benefit under any Govt. Scheme.
- g. PMEGP beneficiaries of the last 5 years will not be eligible under the scheme.

## **8. Quantum and nature of financial assistance**

- a. (i) The State Government through State Level Bankers Committee would request all Public Sector/Private Sector/Regional Rural Banks to provide financial assistance under this scheme.  
(ii) The quantum of assistance would be up to Rupees One lakh for new entrepreneurs and up to Rupees two lakh for existing entrepreneurs. Beneficiary contribution will be maximum of 25% of the total project cost.

Banks will be free to sanction loans above the quantum specified above but subsidy as reflected herein below, will be limited to 20% of sanctioned limit subject to INR 20,000 for new entrepreneurs and 40% of sanctioned limit subject to INR 40,000 for existing entrepreneur. In brief, for an amount of Rs 1,00,000/- sanctioned as loan for a total project cost, Rs 25,000/- shall be beneficiary's own contribution, Rs 20,000/- the subsidy to be disbursed and Rs 55,000/- shall be the loan amount from the Banks. The extent of Government Subsidy shall be as follows :

<b>Category</b>	<b>Subsidy Percentage</b>	<b>Qualifying Amount</b>	<b>Remarks</b>
New Entrepreneur	<b>20%</b>	<b>Upto Rs 1,00,000</b>	<b>Max subject to Rs 20,000/-</b>
Existing Entrepreneur	<b>20%</b>	<b>Upto Rs 2,00,000</b>	<b>Max subject to Rs 40,000/-</b>

(iii) An amount of Rs 200 Crores shall be allocated and utilized for this purpose

## **9. Institutional and implementing arrangement**

- a. Industries and Commerce Department will be the nodal department and District Industries and Commerce Centre (DICC) will implement the scheme in the field.
- b. All public sector, private sector and Regional Rural Banks will be the lending agency and shall execute a formal MOU for the implementation modalities of the scheme.

## **10. Bank finance**

- a. Bank will sanction 55% of the project cost under this scheme after loan application evaluation. Bank will finance capital expenditure in the form of Term Loan and working capital in the form of cash credit. Project can also be financed by the bank in the form of composite loan consisting of capital Expenditure and working capital.

- b. The Beneficiary will deposit with the bank the owner's contribution of 25% of the project cost after sanction of loan.
- c. The bank to claim the applicable subsidy for the entire sanctioned amount and after receipt of subsidy will release the loan amount. The loans are to be disbursed in one lumpsum.
- d. The Nodal Bank will release the Margin Money/Subsidy in proportion to the disbursement of the sanctioned loan amount directly to the financing bank branch through the beneficiary's loan account.
- e. The State Government shall earmark initially an amount of Rs 100 Crores exclusively for the credit risk guarantee cover for all SVAYEM Loans extended. Banks can avail of credit risk coverage from this fund after exhausting all options for recovery, with approval from the State Level committee on recommendation of the district level committee for loans that have turned bad. This credit risk guarantee is exclusive to SVAYEM loans and shall be available to all participant banks and in case of any additional requirements shall be replenished by requisite budgetary support. The basic emphasis is to allow banks to aggressively follow the SVAYEM guidelines and sanction of loans thereof. The credit guarantee should be 55% of the total dues as on the date of the account turning NPA, subject to a maximum of Rs 60,500/-.
- f. For extending guarantee coverage of these SVAYEM loans under Credit Guarantee Trustee Fund for Micro Units (CGFMU) from next financial year, the State Government will take up with SIDBI. Till CGFMU cover is made available, State Government shall ensure adequate budgetary support for the same.

### **11. Interest rate and repayment schedule**

- a. Interest rates are to be charged by the bank as per RBI guidelines for MSE units.
- b. Repayment schedule may range between 3 to 7 years after an initial moratorium as may be prescribed by the bank/Financial Institution concerned.

### **12. Processing fees**

There will be no processing fees for the applicant.

### **13. Security**

- a. Hypothecation will be allowed of Plant & machinery, Miscellaneous Fixed Assets and other assets created out of loan.
- b. Hypothecation of Current Assets will also be allowed (Raw material Stock, Semi-finished products, finished products, etc.)
- c. There shall be no liquid security against the loan.

### **14. Procedure for submission of application, approval, sanction and disbursement**

- a. Project proposals will be invited from beneficiaries at District level through advertisement.
- b. Application for the financial assistance under the scheme will be received online in the format as given in *Annexure-I*. Supporting documents need to be uploaded online also.
- c. On receipt of online application General Manager, DICC will scrutinize them and forward to the District Level Committee (DLC) for approval.
- d. District Level Committee will examine the application and recommend to the bank for consideration online.
- e. Bank will take their credit decision on the basis of viability of each project. They will apprise the project both Technically and Economically with the approved project cost of DICC and will accordingly issue sanction of the proposal within 30 days.
- f. After sanction of the proposals by the Bank, the loan will be released, normally, within five (5) working days after deposit of promoter contribution by the beneficiary and receipt of subsidy claim, whichever is later.
- g. Upon sanctioning of the loan, Bank will submit the Margin Money Subsidy proposal against the borrowers to a Nodal Bank approved by the Government of Assam. A MOU will be executed by the Finance Department with the Nodal Bank for release of the Margin money amount to the Financing Bank Branch.
- h. Bank will update the status on online MIS system of the scheme.

## 15. District Level Committee (DLC)

The District level committee shall be as follows:

1	Deputy Commissioner	Chairman
2	Lead Bank Manager	Member
3	Bank Branch Manager of the district	Member
4	Representative from the MSME-DI	Member
5	Any other member may be opted by the Chairman	Member
6	General Manager, DI&CC of the district	Member Secretary

The major functions of the DLC shall be:

- a. The Committee shall meet as and when necessary.
- b. The Committee shall examine the application(s) and also approve the list of beneficiaries for providing grant under the scheme.
- c. The members of the committee will suggest remedial measures for any difficulty faced while selecting the beneficiaries.
- d. The Member Secretary will circulate the list of beneficiaries to all the Members of Legislative Assembly of the district of information.
- e. Bank Branch wise target will be approved by the DLC.
- f. The Target among the Districts in the State will also be intimated for appraisal of the State Level Bankers Co-ordination Committee.
- g. The Committee may organize ceremonial distribution of the loan.
- h. The Committee will review and monitor the proper and effective implementation of the scheme.
- i. The District Level Committee shall also be the recommending authority for the claim of the banks in case of loan default to avail of the credit risk coverage provisioned for under the credit risk fund of Rs 100 Crores with the nodal bank.

## 16. Project Management Unit (PMU)

For effective implementation, monitoring, supervision of the scheme, a Project Management Unit (PMU) will be set up in the Office of the Commissioner, Industries & Commerce. PMU will be headed by one Senior Officer. One IT Officer and one Data

Entry Operator will be engaged to support the PMU. Remuneration, eligibility, criteria, qualification and experience of IT Officer and DEO will be decided by the Commissioner, Industries & Commerce. They will be engaged for a period of one year which will be extended yearly if their services are found to be satisfactory and the scheme continues. They will be released on the closure of the scheme. Regular inspection, field visit, monitoring, assessment and supervision of the scheme will be coordinated and organized through the PMU. The PMU shall also screen all the applications recommended by the District Level committees for the claim of the bank for bad loans or loan defaults which shall be submitted for the claim of the credit risk guarantee fund.

### **17. Administrative Expenses**

0.50% of the total cost of the project will be earmarked for Administrative expenses which will be kept in a separate account to be maintained by Commissioner, Industries and commerce. General Managers will also be given contingency fund to organize and carry out different activities including training, processing of application, implementation of the scheme, supervision, monitoring, field visit, reporting, etc. Out of the administrative expenditure, web portal for online management of scheme, Mobile application, etc. may also be developed and Stationery, office expenditure, etc. may also be arranged for PMU.

### **18. SVAYEM Portal**

A dedicated Portal in the name of SVAYEM will be designed and developed by the Industries and Commerce Department. All the applications under this scheme will be received online through this Portal. Monitoring, Supervision, inspection, field visit report, photographs and other details would be uploaded on SVAYEM Portal. Regular reports will be generated and information related to the schemes including status of the individual applications will be provided online to the beneficiaries. Desk board will be provided to Banks, Finance Department, PMU, etc. for smooth monitoring of processes in implementation.

## 19. State Level Committee

The state level committee shall be as follows :

1	Senior most Secretary to the Government of Assam, Industries and Commerce Department	Chairman
2	Commissioner & Secretary to the Government of Assam, Finance Department	Member
3	Commissioner of Industries and Commerce, Government of Assam	Member
4	Director, MSME-DI, Guwahati	Member
5	Nodal Officer of Representative of State Nodal Banks.	Member
6	Additional Director of Industries and Commerce Department, Government of Assam	Member Secretary
Other members may also be co-opted by the Chairman		

The major functions for the State level committee shall be:

- a. The Committee shall meet as and when necessary.
- b. The Committee will guide the district teams for effective implementation of the scheme.
- c. The committee may organize field visit and inspection.
- d. The Committee shall examine the progress and review the implementation of the Scheme.
- e. The members of the committee shall look into the suggestions given by the DLC on remedial measures.
- f. The State Level committee shall be the final authority to accept and approve all the claims submitted from the banks for availing the credit risk guarantee fund for bad loans/ default loans.
- g. Both Pre-sanction and Post -sanction inspection shall be conducted jointly by officials of the Bank and District Level Committee (DLC).



## **20. Monthly Reporting System**

The General Manager, DICC shall send report online to the PMU on or before 7<sup>th</sup> of every month

## **21. Field Visit and physical Inspection.**

The general Manager, DICC and Bank concerned shall make regular field visits to assess the status of the units financed. In case of failure to implement or willful default, immediate action shall be taken as per norms and rules.

## **22. Amendment/Modification, etc. in the scheme**

The State Government (the Industries and Commerce Department) may amend any provision(s) or withdraw any provision(s) of the scheme as and when necessary in the interest of the general public.

**Application Form**

**SWAMI VIVEKANANDA ASSAM YOUTH EMPOWERMENT SCHEME**

**A. For Office Use Only**

<b>Enterprise Name</b>	<b>Application Sl. No.</b>

**B. Information about applicant**

<b>Name</b>	<b>Date of birth</b>	<b>Gender</b>	<b>Residential Address with Mobile No.</b>	<b>Academic Qualification</b>	<b>Experience in line of activity (Years)</b>

**(ii) Aadhar/ PAN / Election Photo Identification card / Passport /Driving License No. (any one out of these)**

**C .Business Information**

Name of the enterprise					
Constitution (Please √)	Proprietary	Partnership	Pvt. Ltd.	Ltd. Company	Any Others (Specify)
Current Business Address	State			Pin Code	
	Business Premises (Please √)	Rented		Owned	
Telephone Number			Mobile Number	91-	
E-mail Id					

Business Activity (fill accordingly)	Existing					
	Proposed					
Date of Commencement (DD/MM/YYYY)						
Whether Unit is Registered (Please √)	Yes			No		
If Registered (please mention Registration no. and the Act under which registered)						
Registered office address (if registered)						
Social Category (Please √)	SC	ST	OBC	Minority Community		
If Minority Community (Please √)	Buddhists	Muslims	Christians	Sikhs	Jains	other

#### **D. Declaration/Undertaking**

I hereby certify that all information furnished by me is true, correct and complete. I am not a defaulter of any bank. There is no overdue/statutory due owned by me. I shall furnish all other information that may be required by bank in connection with my application. The information given by me may also be exchanged with any agency. Bank or Industry Department representative may at any time, inspect/verify my/ assets, book of accounts, etc. in our factory, business premises as given above. You may take appropriate safeguards/action may be taken for recovery of bank dues. I haven't got any benefit under PMEGP during last five years.

Date: \_\_\_\_\_ Signature of Applicant

**Documents to be attached.**

***(The list is only indicative and not exhaustive and depending upon the local requirements at different places addition could be made as per necessity)***

1. Proof of identity - Self certified copy of Voter's ID card / Driving License / PAN Card /Aadhar Card/Passport.
2. Proof of Identity / Address of the Business Enterprise - Copies of relevant licenses/registration certificates/other documents pertaining to the ownership, identity and address of business unit.
3. Project report (for the proposed project) containing details of technical & economic viability.