

GUIDELINES FOR DEEN DAYAL UPADHYAYA SWAVALAMBAN YOJANA

- a) Under this scheme, a provision of 40% front ended capital investment subsidy to the beneficiaries has been made who wish to set up small and medium enterprises with a loan from Rs. 10.00 lakhs upto Rs.50 .00 lakhs the of project cost. The cost of land and building shall be excluded from the project cost.
- b) The loan component would be 30% to 50% of the project cost. The cost of land and building shall be excluded from the project cost.
- c) Entrepreneurs would be required to contribute at least 10% to 30% of the project cost as their contribution. Preference will be given to those who contribute a greater proportion. The cost of land and building shall be excluded from the project cost.
- d) Women entrepreneurs will be additionally eligible for 5% interest subsidy annually provided the entrepreneur does not become Non-Performing Asset (NPA).

2. The sectors covered under this scheme are:-

- a) Food-processing units in agriculture, horticulture and allied sectors include packaging, cold chain, cold storage, milk processing etc.
- b) Eco-tourism including home stays and tour operators.
- c) Traditional textile weaving for modernisation of traditional looms and purchase of new looms to start a new weaving unit.
- d) To be set up Small scale manufacturing units / bamboo processing units/service centers/ diagnostic.

(Preference to be given to those unemployed youths having Degree/Diploma holders in Tourism & Hospitality, ITI or any other technical degree/diploma related to Fabrication, IT, Mobile repairing, Motor Garage etc. Preference will also be given to private

doctors for opening of medical clinic and diagnostic centers in the Border CD blocks. However, the clinical fees shall be fixed at a reasonable rate).

3. A District Level Screening Committee would screen the loan applications.

The District Level Screening Committee shall comprise of the following:-

a)	Deputy Commissioner	Chairman
b)	ADC HQ	Member
c)	District Industries Officer	Member
d)	Distinct Agricultural Officer	Member
e)	District Horticulture Officer	Member
f)	District Fishery Officer	Member
g)	District Textile officer	Member
h)	District Tourism Officer	Member
i)	District Lead Bank Manager	Member
j)	District Planning Officer	Member Secretary

4. Based on the budgetary provision, Planning & Investment Division of Finance, Planning & Investment Department will convey district-wise yearly target to the Deputy Commissioners. The State Government will reserve the right to review the targets, if necessary.

5. The District Planning Officer (DPO) will function as Entrepreneurship Development Officer. The prospective entrepreneurs should submit their applications in prescribed format as at **Annexure 'A'** along with the educational qualifications and make a presentation before the District Level Screening Committee which would meet at least once a month.

6. While submitting the project proposals at the District level, the candidate will have to submit a concept note in the standard format. The screening committee will first scrutinize the proposals by involving Bank Managers. The short listed candidates will have to make PPT presentation before the District committee before it is forwarded to the concerned banks. The concerned bank managers should satisfy themselves that the project proposal is bankable and also ensure that all relevant documents for loan are enclosed with the application. The viability of the project shall be determined by the concerned Bank and will be sanctioned by the Bank.

7. The commitment by the State Govt. will be only in the form of a guarantee to release front ended subsidy by the State Govt. subject to the condition that any Scheduled Bank should be authorized to advance loan against the project of the applicant and the onus of availing the loan from the scheduled bank will be entirely and entirely the responsibility of applicant.

8. The Planning & Investment Division will take necessary steps for obtaining A/A and E/S from the competent authorities and transfer subsidy amount to the bank. A mutually agreed amount may be placed with the bank in advance which will act as buffer for this purpose. Thereafter, the bank will consider the application of the candidate for loan. Once the loan is approved, the same will be conveyed by the Bank to the Planning & Investment Division through Lead Bank Manager monthly wise for information.

9. Any request for review maybe re-submitted to the District Committee only for appropriate decision Since, there is a loan component in the scheme which has to be decided by Banks depending on the bankability of the project.
10. As governed by the various Acts of the Government in force, Collateral Security charged to the bank can be sold without restriction accordingly.
11. Any diversion of funds / misutilisation of funds may be governed as per relevant existing acts of the Government / Bank.
12. State Government will not provide any guarantee for loan default. It shall be administered as per the banking norms of the concerned banks.
13. This is issued with the approval of Hon'ble Chief Minister.



eCircular

Department: SME BUSINESS UNIT

Sl.No.: 825/2018 - 19

Circular No.: NBG/SMEBU-SME SMART/25/2018 - 19

Date: Tue 25 Sep 2018

**The Chief General Manager
State Bank of India
Local Head Office
(All Circles)**

SME/PPD/2018-19/VK/CIR-25

Dear Sir / Madam

**SME BUSINESS UNIT PRODUCT / SCHEME: "SME SMART SCORE"
REVIEW CUM MODIFICATION IN PRODUCT FEATURES**

SME Smart Score was introduced in the Bank for financing the units for loan requirement up to Rs. 50 lacs with simplified assessment. The eligibility under the product is based on Scoring Model. The last e-Circular containing the Master Circular was issued vide e-Circular No. NBG/SMEBU-SME SMART/36/2009-10, dated 10th September 2009.

2. In this connection, while carrying out review of the product, it was decided to modify some of the features of the product, as under.

- Modifications in existing Product Features (**Annexure-I**)
- Revised consolidated Product Features (**Annexure-II**)

The other formats like Loan Application Form, Appraisal Format, Credit Scoring Model, Review/ Renewal Format, would remain same as per the previous e-Circular No. NBG/SMEBU-SME SMART/36/2009-10, dated 10th September 2009. The formats have to be used accordingly in line with the modifications.

Please bring the contents of this circular to all the branches / offices under your control.

Yours faithfully,

Chief General Manager (SME & SCF)



Modifications in Existing Product Features: SME Smart Score

Parameter	Existing Product Features	Modified Product Features
Quantum of Finance	<p><u>Trade & Services:</u> Rs.5 lacs to Rs. 25 lacs</p> <p><u>Manufacturing nits:</u> Rs.5 lacs to Rs. 50 lacs</p>	<p><u>Manufacturing, Trade & Services Units:</u></p> <ul style="list-style-type: none"> • Minimum: > Rs. 10 lacs • Maximum: < Rs. 50 lacs
Type of Facility	<p>Cash Credit / Term Loan</p> <p><input type="checkbox"/> For Fund Based & Non-Fund based, single exposure limits may be sanctioned to the units. NFB facilities can be sanctioned on the best judgment basis within the discretionary powers delegated to sanctioning authority.</p>	<p>Dropline Overdraft / Cash Credit / Term Loan OR Combination of these facilities (depending upon customer's need)</p> <ul style="list-style-type: none"> • For Fund Based & Non-Fund based, single exposure limits may be sanctioned to the units. NFB facilities can be sanctioned on the best judgment basis within the discretionary powers delegated to sanctioning authority. • In case of Dropline OD, Drawing Power (DP) as per Stock Statement OR DP as per original Dropline level, whichever is lower, will be applicable. The DP can be reduced or restored to the actual level upon availability of adequate DP as per Stocks & Book Debt Statement.
Collateral Security	<p>As per Bank's extant norms for Working Capital and Term Loan</p>	<p>Collateral Security not be insisted as the loans are to be covered under CGTMSE.</p> <p>However, if the borrower is not willing to bear the guarantee fee & premium for CGTMSE, then collateral security as per Bank's norms need to be obtained.</p>
Inspection	<p>Quarterly</p>	<p>Half Yearly for standard accounts.</p> <p>Monthly for SMA 0/1/2 accounts till the account turns standard</p>

<p>Assessment of Limit</p>	<p><u>Manufacturing Units:</u></p> <ul style="list-style-type: none"> • 20% of annual turnover for WC • 67% of project cost for TL <p><u>Trade & Services:</u></p> <ul style="list-style-type: none"> • 15% of annual turnover for WC • 67% of project cost for TL <p>For Fund Based and Non Fund Based, single exposure limits may be sanctioned to the units.</p> <p>NFB facilities can be sanctioned on the best judgment basis within the discretionary powers delegated to sanctioning authority</p>	<p><u>Working Capital for MSME Units:</u></p> <ul style="list-style-type: none"> • Minimum 25% of the annual projected turnover for Working Capital • Minimum 30% of the annual projected turnover for units with min. 25% of sales through digital mode (as per e-Cir No. NBG/SMEBU-WCDL/98/2016-17, dt. 31.03.2017) <p>However, no change in assessment for Trading Units. It will be minimum 15% of annual projected turnover.</p> <p><u>Term Loan:</u></p> <p>67% of project cost for Term Loan for all units</p> <p>(For Fund Based and Non Fund Based, single exposure limits may be sanctioned to the units.</p> <p>NFB facilities can be sanctioned on the best judgment basis within the discretionary powers delegated to sanctioning authority)</p>
<p>Repayment</p>	<p><u>Working Capital:</u></p> <p>Loan to be renewed every 2 years with annual review of performance. <u>Term Loan:</u></p> <p>Not more than 5 years excluding moratorium not exceeding 6 months</p>	<p><u>Cash Credit</u></p> <p>Loan to be renewed every 2 years with annual review of performance.</p> <p><u>Term Loan/ Dropline OD:</u></p> <p>Not more than 7 years including moratorium not exceeding 6 months. Annual review to be done for all loans.</p>
<p>CRA</p>	<p>Applicable for loans of Rs. 25 lacs & above given to manufacturing units.</p>	<p>Not Applicable.</p> <p>CRA exercise has been done away with for loans below Rs. 50 lacs. (Scoring Model will serve as eligibility Criteria.).</p> <p>However, CUE-Lite rating is to be done for all accounts as per e-Circular No. NBG/SMEBU-SPLPROJ/7/2018-19; dated 24.05.2018.</p> <p>Eligibility of loan will be as per Scoring Model only as provided in the scheme.</p>

Revised Consolidated Product Features: SME Smart Score

S. No	Parameters	Details
1	Target Group	All MSME Units including Proprietorship Firm/ Partnership Firm/ Closely held public & private limited company in Small & Medium industrial, trading and service sector under SSI, C&I and SBF Segments.
2	Eligibility	<ul style="list-style-type: none"> The chief promoter /chief executive should be 18 to 65 years of age The applicant must obtain a minimum overall score of 60% with a minimum of 50% under each sub-head like Personal Details, Business Details, Collateral Details (except in cases where collateral is not applicable, the minimum marks will be nil)
3	Purpose	To meet any kind of credit requirements including purchase of fixed assets
4	Type of facility	<p>Dropline Overdraft / Cash Credit / Term Loan OR Combination of these facilities (depending upon customer's need)</p> <ul style="list-style-type: none"> For Fund Based & Non-Fund based, single exposure limits may be sanctioned to the units. NFB facilities can be sanctioned on the best judgment basis within the discretionary powers delegated to sanctioning authority. In case of Dropline OD, Drawing Power (DP) as per Stock Statement OR DP as per original Dropline level, whichever is lower, will be applicable. The DP can be reduced or restored to the actual level upon availability of adequate DP as per Stocks & Book Debt Statement
5	Quantum of Finance	<p><u>Manufacturing, Trade & Services Units:</u></p> <ul style="list-style-type: none"> Minimum: above Rs. 10 lacs Maximum: below Rs. 50 lacs
6	Assessment of Limit	<p><u>Working Capital for MSME Units</u></p> <ul style="list-style-type: none"> Minimum 25% of the annual projected turnover Minimum 30% of the annual turnover for units with min. 25% of sales through digital mode <p>(as per e-Cir No. NBG/SMEBU-WCDL/98/2016-17, dated 31.03.2017)</p> <p><u>For Trading Units:</u> Minimum 15% of the annual projected turnover</p> <p><u>Term Loan:</u> 67% of project cost for all units</p>



7	Margin	<ul style="list-style-type: none"> • Working Capital: 20% • Term Loan: 33%
8	Repayment & Validity	<p>Cash Credit Loan to be renewed every 2 years with annual review of performance.</p> <p>Term Loan/ Dropline OD: Not more than 7 years including moratorium not exceeding 6 months. Annual review to be done for all loans.</p>
9	Rate of Interest	<p>As per Card Rate: One Year MCLR + 3.60%</p> <p>(as per e-Circular No. CCO / CPPD-INT / 123 / 2017-18, dated 01.03.2018)</p>
10	CRA	<p>Not Applicable.(Scoring Model to serve as eligibility criteria)</p> <p>However, CUE-Lite rating is to be done for all accounts as per e-Circular No. NBG/SMEBU-SPLPROJ/7/2018-19; dated 24.05.2018.</p> <p>Eligibility of loan will be as per Scoring Model only as provided in the scheme.</p>
11	Primary Security	Hypothecation of Stocks, Machinery, Movable Assets acquired out of Bank's finance
12	Collateral Security	<p>Collateral Security not be insisted as the loans are to be covered under CGTMSE.</p> <p>However, if the borrower is not willing to bear the guarantee fee & premium for CGTMSE, then collateral security as per Bank's norms need to be obtained.</p>
13	Personal Guarantee	Personal Guarantee of all the Promoters, Directors, Partners. Third party guarantee in case the property offered is in the name of a person other than promoters/partners/proprietor
14	Processing Fee	As per Card Rates issued by CPPD from time to time
15	Other Charges	As per extant instructions
16	Documentation	As per simplified SME documentation
17	Stock Statement	To be obtained monthly
18	Inspection	Half Yearly for standard accounts. Monthly for SMA 0/1/2 accounts till the account turns standard.
19	Insurance	Comprehensive insurance to be obtained for Stocks/Equipment and collateral properties if available etc. with Bank's clause
20	CIC Report	Both Commercial & Consumer CIC Reports should be satisfactory