

**MISSION YOUTH, J&K**

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**SCHEME GUIDELINES**  
For  
**SPURRING ENTREPRENURSHIP**  
**INITIATIVE**

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## **1. Objectives**

This scheme is centered on the theme ***Youth Enterprise with Innovation (YouWiN)/ Champion for Innovation*** program for encouraging young entrepreneurs' especially young women towards innovations in various enterprises.

The broad aim of the Scheme is to provide financial assistance to youth of Union Territory of J&K for establishing their business units. It has the stated objective of encouraging innovation and job creation through creation of new businesses and expansion of existing businesses.

This scheme seeks to foster high growth entrepreneurship through business plan competitions. It shall identify individuals with promising ideas and the aspiration to grow, help these individuals formalize these ideas through getting them to develop a detailed business plan, and then spur the development of these potentially high growth ideas by providing financing to the selected start ups under this scheme. The core principle is to let youth decide on the nature and manner of their business rather than giving an enumerative list of businesses and ask them to choose from a confined sphere of prescribed activities.

## **2. Eligibility**

- i. The financial assistance would be given to youth between the age of 18 to 40 years having a minimum qualification of 12<sup>th</sup> standard or above. Provided that CEO Mission Youth shall be competent to relax the educational qualification/age criteria for deserving candidates on a case to case basis, based on proper justification.
- ii. Financial assistance under the scheme shall be provided to youth proposing the creation of a new or expansion of an existing business venture within J&K. Assistance shall be provided to meet requirements of assets such as plant and machinery and working capital. Financial assistance for creation of new business

venture shall be provided by J&K bank as Start Up Loan; whereas the financial Assistance for expansion of existing business venture shall be provided by J&K Bank as Business Loan for expansion.

- iii. For candidates seeking assistance for new start up units, the concerned youth shall be unemployed and registered with the concerned District Employment and Counseling Center.
- iv. For candidates seeking assistance for expansion of existing business, he/she should be having an established business for at least 2 years.
- v. Non-individual enterprises wherein at least 51% of the shareholding and controlling stake is held by one entrepreneur subject to requirement that the entrepreneurs meet the criteria at i and ii of this rule.
- vi. Borrower should not be in default to any bank/financial institution.
- vii. The units which have already availed any incentive or subsidy under any scheme of the Government of India or the erstwhile State or UT Government shall not be eligible for assistance under the scheme.
- viii. Preference would be given to businesses creating innovative solutions in sectors such as social impact, waste management, water management, financial inclusion, education, agriculture, food processing, biotechnology, healthcare, IT, Community, Social & Personal Service Activities Food Products Sector Textile Products Sector / Activity Finance to Micro Units Engineering sector like electronic, e-commerce, GSM/ GPRS based technology, IT & allied services, biotechnology sector like microbial, plant, medical genetics and diagnostics, health Care and life sciences etc. tourism Handlooms, handicrafts and artisans product etc.

ix. One person/enterprise can seek assistance under this scheme only once.

x. 25 percent of the cases to be sanctioned under this scheme in a particular financial year shall be reserved for women. This sub-component of the scheme shall be implemented in collaboration/convergence with JKTPO, SRLM or any other government organization concerned with women development as may be decided by CEO Mission Youth from time to time. Sanction of cases under this component shall also be governed by provisions this scheme.

### **3. Assistance**

i. Financial Assistance provided under this scheme shall be provided through J&K Bank (Scheme Banking Partner).

ii. Assistance under the scheme shall be minimum Rs.2.00 Lakh Maximum Rs.20.00 Lakh including the interest capitalized during the Loan tenure shall be provided as assistance.

iii. a) In case of applicants who have applied for assistance under the scheme for expansion of existing units, the 10 percent margin money shall be paid by the applicant to ensure his /her stake in the unit.

b) In case of unemployed youth applying for setting up new units, five percent margin money shall be provided by Mission Youth as an additional incentive and five percent shall be contributed by the applicant to ensure his /her stake in the unit.

*The additional incentive of margin money shall be within the overall ceiling of the Scheme.*

iv. Selected applicants shall be provided interest subvention incentive towards repayment of the principal amount provided to them as assistance by Mission Youth.

Interest component subject to a maximum of 2 lakh rupees and subject to the condition that applicant doesn't make any default in repayment of the principal amount shall be paid by

Mission Youth.

- v. The amount of assistance provided by Mission Youth (MY) has to be compulsorily utilized for establishment of self employment unit only.
- vi. Bank shall extend loan facility as per their normal assessment procedure. It will be the responsibility of the bank to check creditworthiness of each case to be sponsored under the scheme.
- vii. The Incentive structure on account of business development shall also be provided under the scheme as per Grid 1, subjected if the applicant/borrower has never defaulted in their repayments. Also the incentives should be paid at the end of every financial year into the loan accounts.

<b>YEAR</b>	<b>BUSINESS DEVELOPMENT</b>	<b>INCENTIVES</b>
0-1 <sup>st</sup> year	MORATORIUM	MORATORIUM
1 <sup>st</sup> -2 <sup>nd</sup> year	10%	20% of BD
2 <sup>nd</sup> -3 <sup>rd</sup> year	20%	40% of BD
3 <sup>rd</sup> -4 <sup>th</sup> year	30%	50% of BD
4 <sup>th</sup> - 5 <sup>th</sup> year	40%	60% of BD
<i>BD stands business development.</i>		

#### **4. Procedure for selection of applicants .**

- i. The applications shall be submitted by the applicants digitally through specific digital module developed for the purpose by Mission Youth.
- ii. The applications received at district level shall be placed before the committee of following officers:

<b>S.No.</b>	<b>Composition</b>
01	Deputy Commissioner Concerned.
02	General Manager, DIC Concerned.
03	Deputy Director/ Assistant Director Employment ( <b>District-level Nodal Officer</b> )
04	District Social Welfare Officer.
05	District Level representative of EDI
06	Lead Bank Manager Concerned
07	Co-opted Members, as deemed appropriate by Chairman, DLIC

- ii. DLTF will invite applications along-with the Detailed Concept Note/DPR from the candidates desirous of seeking financial assistance under this scheme. The application stage shall be divided into three stages a. **The Business Plan Competition whereby prospective entrepreneurs will be invited to submit their business plans.** b **Selection of best start up ideas.** c **Funding of selected ideas.**
- iii. The Committee shall screen the applications forms, viability of the Project and conduct interviews to select the suitable candidates for grant of financial assistance.
- iv. Names and other identifying information of the project shall be removed before scoring to increase the impartiality of this process. Marks will be given for the quality and viability of the business idea, the amount of job creation likely, the abilities and market understanding of the applicant, and the passion and commitment displayed in the application, and the likelihood of the proposed business succeeding. Selected ideas and business will be provided funding support through JK Bank or Incubators
- v. The applications received shall be evaluated by a designated committee on below parameters

	<b>Criteria</b>	<b>Details</b>	<b>Weightage (%)</b>
1	<b>Is there a need for this Idea?</b>	Market size, what market gap is it filling, does it solve a real-world problem?	P
2	<b>Feasibility</b>	Feasibility and reasonability of the technical claims, methodology used/ to be used, roadmap for product development	Q
3	<b>Potential Impact</b>	Customer demographic & the technology's effect on these, national importance (if any)	R
4	<b>Team</b>	Strength of the team, Technical and business expertise	S
5	<b>Presenatation on the project including Fund Utilization Plan</b>	Roadmap of money utilization	T
<b>Weight-age for criteria (p, q, r, s, t may be assigned</b>			100%

- vi. The designated committee shall evaluate applicants based on their submissions and presentations and select candidates for assistance under the scheme within 60 days of receipt of application.

- vii. Cases recommended by Recognized Incubators like Shri Mata Vaishno Devi University Technology Business Incubation Center Society (SMVDU TBIC), Centre for Trainings & Skill Development (CTSD) and Centre for Incubation & Business Acceleration (CIBA) of Jammu & Kashmir Entrepreneurship Development Institute (JKEDI) / training institutions like it is shall be given preference.
- viii. The competition for ideas will be preferably hosted digitally or any other manner as may be deemed appropriate by CEO Mission Youth.
- ix. Sanction of cases in a particular financial year shall depend on the physical and financial targets approved by Governing Body of Mission Youth.

#### **5. Procedure for disbursement of assistance:**

- i. Once a case is approved by DLIC Mission Youth, the cases shall be forwarded to J&K Bank for sanction and disbursement of loan. The Bank shall provide the finance facility on the basis of their normal assessment procedure
- ii. Disbursement of loan shall be done by JK Bank as per the internal procedure applicable to Start Up loans.
- iii. The selected youth shall furnish an indemnity bond duly attested by a First Class Judicial Magistrate to the following effect:-
  - (a) That he/she shall establish the sanctioned unit within the period specified in the Concept note/DPR submitted by him/her;
  - (b) That he/she shall incur the sanctioned amount only for the purpose of establishment of unit
- iv. At the end of one year after disbursement of assistance under the scheme, the beneficiary will have to submit a copy



of GST statement with concerned AD/DD Employment in the district for all quarters as proof of actual operation of the business unit. The same shall continue for every subsequent year till the financial assistance paid under the scheme is repaid in full by the beneficiaries.

## **6. Mode of Repayment and Security:**

Primary Security: All the assets both fixed and current financed by the bank shall form the primary security by way of hypothecation/assignment.

Guarantee of Credit Guarantee Fund Scheme/ Guarantee of Credit Guarantee Scheme for MUDRA Loans. Guarantee Fee shall be paid upfront to the Trust by the bank, fee to be borne by the bank.

The implementation period for setting up the unit shall depend upon the respective activity. However the same shall not exceed a period of 01 year. The moratorium granted by bank shall depend on actual cash flows of the unit, however same shall not exceed period of 01 year after expiry of implementation period.

In the eventuality of default on part of beneficiary towards repayment of loan sanctioned under the scheme, the Bank shall recover the balance amount as per their existing procedure and shall ensure that the contribution of Mission Youth is refunded back to the Mission Youth on proportionate basis.

In case it is found that the beneficiary has deviated from the indented purpose, Mission Youth, J&K and JK Bank shall also initiate legal proceedings against such a person under relevant provisions of law.

## **7. Handholding Support by JK Bank.**

All new entrepreneurs to be provided guidance in his /her endeavor to set up his or her business enterprise starting from training to filling up loan applications as per bank requirements. Providing step by step guidance for connecting to various agencies with specific expertise viz. Skilling Centers, Mentorship support, Entrepreneurship Development Program Centres, District Industries Centre, together with addresses and contact number shall be provided by Cluster Offices/RSETI / FLCCs / Marketing Managers. Out of pocket expenses if any incurred on training / hand holding to be borne by the beneficiary.

Mission Youth shall provide necessary support to JKB on various linkages wherever required.

## **8. Monitoring, Evaluation and Appraisal:**

- i. The scheme shall be monitored through a robust monitoring mechanism to ensure the functional efficacy of the scheme. The post- sanction monitoring of the cases sanctioned under the scheme shall be conducted by a team of officers to be decided by DLTF.
- ii. The monitoring shall be done usually on a quarterly basis. However, if the Chief Executive Officer, Mission Youth, J&K has a reason to believe that immediate monitoring is required , he shall take necessary steps to organize the same irrespective of the time limit and can also request for services of any appropriate officer/ agency for the facilitating the monitoring.
- iii. The district-level monitoring committee shall submit monitoring reports to the Mission Youth, J&K for any corrective measures, as & when required.

For monitoring purposes, AD/DD Employment(Member District Level Task Force Mission Youth) who is also the District Nodal Officer for Mission Youth livelihood generation schemes

shall periodically make field visits to check the units sanctioned under the scheme. Every year (First week of April) the officer shall submit a consolidated report on functioning of all units sponsored under this scheme in his/her district.

## **9. Other Terms and Conditions**

- i. The Banking partner for the scheme shall be Jammu & Kashmir Bank or any other Bank decided by the CEO Mission Youth from time to time.
- ii. The unit so established under the Scheme shall have to be insured by the beneficiary.
- iii. JKEDI shall facilitate preparation of DPRs under the scheme.

## **10. Power to amend/Issue clarifications.**

In case of any clarification required/ difficulty faced in implementation of the scheme, CEO Mission Youth shall be competent to issue suitable clarifications and amendments to the scheme guidelines.