

K-14014/37/2010-UPA (Pt-1)/FTS-14403
Government of India
Ministry of Housing and Urban Poverty Alleviation
UPA Division

Nirman Bahwan, New Delhi,
Dated the 15th June, 2016

To

Mission Directors (NULM)

All States/UTs

Subject: Amendment in Clause 6 & 7 of Operational Guidelines of Self-Employment Programme (SEP) component of Deendayal Antyodaya Mission-National Urban Livelihoods Mission (DAY-NULM) regarding.

I am directed to refer to the above mentioned subject and to say that the following clauses of operational guidelines of the Self-Employment Programme (SEP) component of Deendayal Antyodaya Yojana- National Urban Livelihoods Mission (DAY-NULM) issued vide O.M. No. K-14014/58(10)/2012-UPA dated 18th December 2013 has been amended with the approval of Hon'ble Minister as indicated in the table given below.

Clause 6: Sub-Component 4.1-Individual Enterprises (SEP-I) - Loan & Subsidy.	
<u>Existing Provision</u>	<u>Amended Provision</u>
Clause 6. Sub-Component 4.1- Individual Enterprises (SEP-I) - Loan & Subsidy.	Additional clauses are as follows: Clause 6.6. Margin Money: No margin money should be taken for loans up to Rs. 50000 and for loans ranging from Rs 50,000 - 10 lakhs, preferably 5% should be taken as margin money and it should in no case be more than 10% of the Project cost. Clause 6.7. Type of Loan Facility: Bank may extend finance to individuals for capital expenditure in the form of Term Loan and Working Capital loans through Cash Credit. Banks may also extend Composite Loans consisting of Capital Expenditure and Working Capital components, depending upon individual's requirement.

ISSUED - *mes*
15/6/16

Clause 7: Sub-Component 4.2-Group Finance (SEP-G) - Loan & Subsidy.		
SN	Existing Provision	Amended Provision
1.	<p>Clause 7. Sub-Component 4.2-Group Enterprises (SEP-G) -Loan & Subsidy.</p> <p>A Self Help Group (SHG) or members of an SHG constituted under SJSRY/ NULM or a group of urban poor desirous of setting up a group enterprise for self-employment can avail benefit of subsidised loans under this component from any bank.</p>	<p>Clause 7. Sub-Component 4.2-Group Finance (SEP-G) -Loan & Subsidy.</p> <p>A Self Help Group (SHG) or members of an SHG constituted under SJSRY/ DAY-NULM or a group of urban poor for self-employment can avail benefit of subsidised loans under this component from any bank.</p>
2.	<p>Clause 7.1. Eligibility:</p> <p>The group enterprise should have minimum 5 members with a minimum of 70% members from urban poor families. The application/intent to set up a group enterprises by beneficiaries/ group members should preferably be referred by community structures viz: SHG/ ALF formed under SJSRY/NULM.</p>	<p>Clause 7.1. Eligibility Criteria:</p> <p>The group should have minimum 5 members with a minimum of 70% members from urban poor families. More than one person from the same family should not be included in the same group.</p>
3.	<p>Clause 7.4. Loan:</p> <p>Project Cost less the beneficiary contribution (as specified by bank) would be made available as loan amount to the group enterprise by the bank.</p>	<p>Amended / Additional clauses in 7.4 are as follows:</p> <p>Clause 7.4.1. Type of Loan:</p> <p>Loan can be extended either as a single loan to the group functioning as one borrowing unit or each member of the group can be provided individual loans based on mutual trust and collateral substitute among the group. The principles laid down in the RBI circular on “Budget (2014-15) Announcement Financing of Joint Farming Groups of ‘Bhoomi Heen Kisan’ dated 13th November, 2014” and subsequent revisions should be followed in case of loans to a group.</p> <p>Clause 7.4.2. Type of Loan Facility:</p> <p>Bank may extend finance to groups for capital expenditure in the form of Term Loan and for Working Capital, through Cash Credit Facility. Banks may also extend Composite Loans for Capital Expenditure and Working Capital, depending upon Group’s requirement.</p>

	Clause 7.4.3. Loan and Margin Money : Project Cost less the beneficiary contribution (Margin Money) would be made available as loan amount to the group enterprise by the bank. No margin money should be taken for loan up to Rs. 50000 and for higher amount loans, preferably 5% should be taken as margin money and it should in no case be more than 10% of the project cost.
--	--

Yours faithfully,

Archana Mittal

Archana Mittal
(Director, UPA-I)
Tel: 011-23062127

Copy to:

1. **Principal Secretary (UD)** of all the States/UTs for information.
2. **Shri A. Udgata**, Chief General Manager-in-Charge, FIDD, Reserve Bank of India, 10th Floor, Central Office Building, Shahid Bhagat Singh Road, Mumbai-400 001.
3. **Shri Jiji Mammen**, Chief Executive Officer, Mudra Bank, MSME Development Centre, C-11, G-Block, Bandra Kurla Complex, Bandra East, Mumbai - 400051

Copy for information to:

1. Joint Secretary, Department of Financial Services, Jeevan Deep Building, Parliament Street, New Delhi 110001.

Copy to (Officers in the Ministry of HUPA):

1. PS to Hon'ble Minister (UD, HUPA & PA)
2. PS to Hon'ble Minister of State (UD, HUPA & PA)
3. PS to Secretary (HUPA)
4. JS & FA, M/o UD & HUPA, Nirman Bhawan, New Delhi
5. Joint Secretary (HFA), Ministry of HUPA