Rajiv Gandhi Swavlamban Rozgar Yojna
(Modified Scheme Guidelines)

1. **Eligibility**: -
   - i) All commercial professionals,
   - ii) Passed out candidates from any Technical / Professional Institution recognized by Government and its autonomous / undertaking bodies without further any training and
   - iii) Small-Scale Industrial units shall become eligible for financial aid of loan within the limits of the budget under the preview of Delhi Khadi & Village Industries Board - Rajiv Gandhi Swavlamban Rozgar Yojna. Small scale industrial undertaking should have total investment of plant, machinery and equipment not exceeding the ceiling prescribed for small scale units by the Central Government from time to time and must be located within the National Capital Territory of Delhi.

   Any one of the following can avail loan under the scheme: -
   - a) School/College dropouts above the age of 18 years.
   - b) Individual entrepreneur.
   - c) Trade Professionals.
   - d) Artisan

2. **Jurisdiction, Purpose and Quantum of Assistance:-**

   (1) Financial aid as loan under these rules may be granted to the eligible projects pertains to any of the following groups/sector:-
   - i) Secondary Sector (Tiny/Cottage Industries)
   - ii) Tertiary Sector (Trade, Transportation, Hostels, Restaurants without Liquor and Meat etc.)
   - iii) Services Sector.

   However, detailed list of above categories be decided by the Delhi Khadi & Village Industries Board subject to Terms & Conditions, provisions of local bodies and Delhi Master Plan.

   (2) Quantum of Loan: -

   (i) The quantum of loan granted under this scheme, to proposed and functioning units shall not exceed Rs. Three lakh provided that concerned entrepreneur shall make at least 10% contribution of amount demanded as loan from the DKVIB and promoter. In case of weaker sections i.e. SC/ST/OBC/Physically Handicapped/Women Entrepreneur/Ex-Servicemen only 5% contribution of entrepreneur is required.

(ii) Loan shall not be sanctioned to such parties who have already been advanced any loan for the same or similar purpose by the Government or any Government controlled financial institutions and has not been repaid in full with interest or has been misutilised and/or misapplied.

(iii) **Subsidy**: - Govt. of Delhi would provide subsidy @ 15% of the project cost subject to the ceiling of Rs. 7,500.00 per entrepreneur. In case of more than one entrepreneur joining together and setting up a project under partnership, subsidy would be calculated for each partner separately, @15% of his share in the project cost, limited to Rs. 7,500.00 each partner. Subsidy component would be adjusted to the borrower's loan account after a period of two years from the date of disbursement of loan. Subsidy component would be recovered from the borrower along with interest in cases where the loan amount has been found not utilized for the purpose for which it was released. No subsidy, In case where the loan amount has been found not utilized for the purpose of which, it was released, 18% interest along with principal amount may be recovered.

3. **Submission of application:-**

The borrower shall submit the application to the DKVI Board on the prescribed form as per direction of the DKVI Board.

4. **Tenure of loans and Repayment:-**

(i) Every loan with interest thereon shall be repaid in full within 5 years in equal quarterly installments. The recovery of loan may be started after a gap of 12 months from the date of release of loan amount. However, interest on released amount will be recoverable form the first quarter, from the date of release of loan amount. To ensure timely recovery, borrower shall provide equal nos. of post dated cheques for quarterly installments of Principle amount including interest due as on date of installment fixed by the DKVI Board.

(ii) The Borrower shall ensure for timely encashment of each and every cheque. Incase of any default, DKVI Board will be entitled to take action against him / her and/or sureties as prescribed under the law.

(iii) The borrower shall be bound to confirm the loan balance within one month after expiry of each financial year.

5. **Rate of Interest**: -

The loan granted under this scheme shall bear interest as prescribed by the Govt. of NCT of Delhi from time to time. The interest on loan will accrue from the date of its disbursement and where the loan is disbursed in installments, interest shall run on each installment from the date of disbursement of such installment. No interest subsidy.

6. **Penalty: -**

The DKVI Board shall charge 18% interest for late payment of overdue installments as prescribed by the Government of Delhi.

7. **Security of Loan**:-

Procedure to be followed as per commercial banks.

8. **Training** : -

Since the scheme envisages conversion of energy of school dropouts or those who have not gone beyond school education as well as of college dropouts, emphasis would be on skill formation/enhancement of the selected candidates selected by the DKVIB. The primary purpose of imparting skills to the candidates is for enabling them to take up self-employment. DKVIB shall prepare training modules of about three months duration in respect of identified areas in consultation with the NGOs, Training Institutions under the Government. The focus, therefore, will be on skill formation and entrepreneur development, basic component of which would be: -

i. Skill formation.
ii. Elements of book keeping.
iii. Simple knowledge of marketing.
iv. Acquaintance with product costing.
v. Familiarization with project financing by banks and other financial institutions.

The expenditure likely to be incurred on the training shall be paid by DKVIB. Once the training is successfully completed, the training institution will give a certificate to each of the trainees. Industries Department will do secretarial work and release of funds for the DKVIB.

9. **Marketing Support**:-

Under this scheme the following arrangements are proposed for extending marketing support to the beneficiaries who avail financial assistance under this Scheme.

i) Display of their products in Delhi Emporium as per availability of space.
ii) DSIIDC/ Cooperative Stores can get the products manufactured by the selected entrepreneurs and market the same in their own brand name.
iii) Allowing such entrepreneur to participate in trade fairs particularly in Delhi Pavilion.
iv) Allowing such entrepreneurs to participate in the exhibitions organized by Delhi Khadi & Village Industries Board or any other Govt. Organization.
v) Forming cooperatives of entrepreneurs manufacturing same or similar type of products under common brands.
vi) Issue of certificate to the beneficiary unit to get the recognition in the market/society.

10. **Publicity**:-

Intensive publicity should be made out by DKVIB through print / electronic/ mass media and also by field motivation of the beneficiaries. The electronic media are now mostly common in use such as TV/Radio. Such mode of communication will help in increasing mass awareness of the scheme.

11. **Utilisation of Loan:-**

(i) The borrower shall utilise the loan for the specific prupose for which it is advanced within three months. However, Managing Director of the DKVI Board will be competent to grant maximum three months grace for the utlisation of amount released by the DKVI Board. After six months, no further concession will be allowed and in case of non-utilisation of funds within the maximum permissible period, loan amount will be treated as mis-utilised and DKVI Board will be liable to make recovery of entire amount alongwith 18% interest, prescribed from time to time by Delhi Govt., if any, incurred, in addition to the amount of loan provided by the DKVI Board.

(ii) If the borrower utilizes the financial assistance received from the DKVI Board in violation of the provisions of these loan rules or instructions of the DKVI Board, the amout of loan shall be treated as mis-utilised and shall invite interest @18% along with principal amount may be recovered.

12. **Charge of the DKVI Board:-**

The DKVI Board shall have the first charge on all the assets created or to be created by the borrower out of the loan recieved or any portion thereof. The borrower shall not creat any further charges of these assets without the prior approval of the DKVI Board.

13 **Hypothecation of the assets**:-

Procedure to be adopted as followed by commercial banks.

14. **Sale and/or transfer of assets**:-

The borrower shall not sell or transfer or let out any machinery, building, implements, sheds or any other immovables created out of the funds recieved from the DKVI Board, without the prior permission of the DKVI Board, till the repayment of the entire dues of the DKVI Board.

15. **Maintenance of the books and its inspection**:-

After giving the utilization papers and inspection shall be done by DKVIB / Industries Department staff to ascertain the utilization of the loan for the purpose it was given to them. There will be no need of audit by auditors of Delhi Govt. and Central Govt.. No T.A. / D.A. will be charged from the borrower.

16. **Audit of Accounts**:-No need.

17. **Execution of Agreement Deed**:-

Procedure to be followed as per commercial banks.

18. **Right of the DKVI Board to re-call the funds**:-

(i) If it is proved that the borrower has obtained loan by mis-representation or by concealing some material facts, or by wrong statement, the DKVI Board shall treat all the funds as having been mis-utilised, 18 % interest along with principal amount may be recovered.

(ii) In case the borrower violates any of the conditions governing the loan advanced by the DKVI Board, the entire outstanding amount of the loan shall become due to the DKVI Board in lumpsum and the DKVI Board shall recover it immediately alongwith accrued interest.

(iii)In the event of the issue of recovery notice due to cirucumstances mentioned in sub-para (i) and/ or sub-para (ii) of this guidelines, the following amounts shall be recoverable:-

a) Entire outstanding loan on the date of issue of notice.
b) Applicable rate of interest on loan from the date of issue of cheque to the date of payment.
c) Accrued applicable rate of interest from the date of issue of cheque to the date of repayment or the loan at the rate of interest in force.

19. **Jurisdiction of Court:-**

Without prejudice to the foregoing conditions, if any, matter is to be referred to a court of law or any suit application is to be filed, by the DKVI Board or any of its borrower, the courts at Delhi alone shall have the jurisdiction upon the same.

20. **Recovery:-**

Nothing herein contained shall prejudice any right or remedies open to the DKVI Baord to recover the amount advanced/remaining due with accrued and applicable rate of interest, from the borrower as arrears of land revenue.

21. **Removal of doubts**:-

Where a doubt arises as to the interpretation of any provisions of these guidelines, the matter shall be referred to the Administrator Lt. Governor whose decision shall be final and binding on all concerned.

22. **Power to relax:-**

Notwithstanding anything contained in these guidelines, the Administrator / Lt. Governor may, by general or special orders, relax any provisons of these guidelines.

23 **Power to write off irrcoverable sums**:-

The DKVI Board shall be competent to write-off any sum due to it, if such sum is, in its opinion irrecoverable:

Provided that,---

i) Where the sum written-off in favour of any one person exceeds one thousand rupees; or

ii) Where the aggregate of the sums written off in a financial year exceeds Ten thousand rupees.

This issues with the approval of the Planning and Finance Departments.