Government of Uttarakhand
Micro, Small & Medium Enterprises Section
No: / VII-3-25/02(02)-M.S.M.E./2025
E-File No.- 28911
Dehradun, Dated: March, 2025

Notification

With the objective of providing capital to such enterprising youth, migrants, skilled-unskilled artisans-handicraftsmen, educated urban-rural unemployed, small entrepreneurs/ businessmen/street vendors of the state, who want to establish their own enterprise/business through bank loan, Hon'ble Governor pleased to issue "Mukhyamantri Swarojgar Yojana 2.0":-

Background

In order to minimize the adverse effect on the livelihood of the residents of Uttarakhand State due to the emergency situation of the global pandemic Covid-19, to encourage the enterprising youth of Uttarakhand State, Uttarakhand migrants, skilled-unskilled artisans, handicraftsmen and educated urban-rural unemployed to set up their own enterprises, the Micro, Small and Medium Enterprises Department, Uttarakhand Government implemented the **Mukhyamantri Swarojgar Yojana** by Office Memorandum No. 580/VII-3/01(03)- M.S.M.E./2020, Dated 09 May, 2020. In the same sequence, for micro enterprises / street vendors. Mukhyamantri Swarojgar Yojana (Nano) has been implemented by the Government Order No. 773/VII-3-21/02(07)-M.S.M.E./2020, dated 21st June, 2021. During the scheme period, more than 39,000 beneficiaries have been linked to self-employment and more than one lakh jobs have been created.

With the objective of making the previously operated schemes more effective by merging them, promoting women entrepreneurship and preventing duplication of benefits, a new bank loan linked (Credit Linked) self-employment scheme is being implemented as follows :-

Mukhyamantri Swarojgar Yojana 2.0

1.	**Name of the Scheme**	The short name of this scheme will be MSY 2.0.
2.	**Scheme Period**	This scheme will be effective from the financial year 2025-26 to the financial year 2029-30, unless it is amended or discontinued.
3.	**Scope of the Scheme**	This scheme will be applicable in the entire geographical area of the state.
4.	**Objective of the Scheme**	The objective is to generate maximum employment/subsidiary employment by linking more than 50 thousand beneficiaries to self-employment during the scheme period. Under the scheme, the target for the districts will be determined on an annual basis by the Director General/Commissioner of Industries on the basis of population, geographical ecology, economic development

status and possibility of self-employment of the concerned district.

5. Nodal Department/ Operating Agency for the Scheme

The Micro, Small and Medium Enterprises Department will be the nodal department for this scheme. It will be operated by the Directorate of Industries at the state level, Uttarakhand and District Industry Centres at the district level. Under this scheme, the targets set for the district will be distributed to the District Industry Centres and the district offices of the Khadi and Village Industries Board as per the requirement.

6. Objective

i. The main objective of this scheme is to provide loans through banks to all sections of the society for setting up their own enterprise (manufacturing, service and business) and to contribute to prosperity and sustainable economic development of the state through self-employment.

ii. To establish the youth of the state, unemployed, migrants who have come to the state through reverse migration, as job creators instead of job seekers.

iii. Self-employment is to be made more attractive and profitable by making it easier to get loans from banks and providing margin money/subsidy against bank loans.

iv. To develop entrepreneurship through 'Awareness programs’ and 'entrepreneurship training programs' at the district level.

v. To provide special encouragement to women entrepreneurship in the state by providing additional financial incentives to women.

vi. To reduce the unemployment rate in the state, increase per capita income and prevent migration from the state by creating more and more employment/subsidiary employment at the local level through business/enterprises established for self-employment.

vii. To reduce the population pressure by preventing internal migration from these areas to the big cities (municipal corporations) of the state by providing additional financial incentives for self-employment in rural areas and small municipal bodies of the state.

viii. To provide additional financial incentives for setting up production units of local products of the state with the objective of their protection and development.

7. Definition

i. **Scheme,** means Mukhyamantri Swarojgar Yojana 2.0.

ii. **State,** means the State of Uttarakhand.

iii. **Family,** means husband-wife and their unmarried children below the age of 21 years.

iv. **Women entrepreneur,** means women of the State above the age of 18 years, who want to start their own business through self-employment.

v. **Disabled Person** means disabled person as defined in the Rights of Persons with Disabilities Act-2016 and the Uttarakhand Rights of Persons with Disabilities Rules-2019.

vi. **One District Two Product (ODTP)** means the product identified for a particular district under One District Two Product Scheme-2021 of Uttarakhand State and which are manufactured within the geographical limits of the concerned district.

vii. **One District One Product (ODOP)** means the specific product identified for various districts of the State by the Department of Industrial Promotion and Internal Trade, Ministry of Industry and Commerce, Government of India, which are manufactured within the geographical limits of the concerned district.

viii. **Geographical Indication (GI) product,** means the GI tag registered products issued by the Controller General of Patents, Designs and Trademarks, Department of Industrial Promotion and Internal Trade, Ministry of Industry and Commerce, Government of India for the products of Uttarakhand State area, which are manufactured within the geographical boundary of the State/District/Region.

ix. **Bank,** means the following banks operating under the State/District and recognized by the competent level-

a) All Public Sector Banks

b) Scheduled Commercial Banks

c) All Regional Rural Banks

d) Cooperative Banks/Private Commercial Banks recognized by the State Government

x. **Bank loan,** means the term loan sanctioned and disbursed by the bank in relation to the project proposed under the scheme / working capital loan or joint loan required for commercial operation for a maximum of one quarter.

xi. **Rural area,** means the rural area of the state of Uttarakhand.

xii. **Notified Nagar Panchayat area,** means the notified Nagar Panchayat area under the state of Uttarakhand.

xiii. **Manufacturing enterprise** Manufacturing/Producer Enterprise means an enterprise engaged in the manufacture or production of goods or final products relating to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951, bearing a distinct name; or characteristic or use and which uses plant and machinery in value addition to the final product. Enterprises engaged in converting/producing goods, handmade or natural, without plant and machinery are not included in this category.

xiv. **Service enterprise** means the enterprise engaged in the rendering of various types of services using equipment.

xv. **Project cost** includes the total fixed capital investment made for setting up the enterprise/business excluding land, which includes investment in plant and machinery, equipment, workshop building, rent for a maximum of one year in case of rented building and other assets of permanent nature and working capital investment required for a maximum period of one quarter.

xvi. **Districts/areas of category A, B, C and D** means the district/area described as in Section-5 of the Uttarakhand Micro, Small and Medium Enterprises Policy-2023 promulgated by the Notification No. 1145/VII-3-23/04(01)-MSME/2023, Dated 09 August, 2023 of the Department of Micro, Small and Medium Enterprises, Government of Uttarakhand-

<table>
<tr><th>Category</th><th>District/Covered Area</th></tr>
<tr><td>A</td><td>Entire area of district Pithoragarh, Uttarkashi, Chamoli, Champawat, Rudraprayag and Bageshwar.</td></tr>
<tr><td rowspan="3">B</td><td>Entire area of district Almora and Pauri Garhwal.</td></tr>
<tr><td>The mountainous dominated area of district Tehri Garhwal.</td></tr>
<tr><td>Nainital district (Bhimtal, Dhari, Betalghat, Ramgarh, Okhalkanda development block) and Dehradun district (Chakrata development block).</td></tr>
<tr><td rowspan="3">C</td><td>Plain areas of district Tehri (Dhalwala, Tapovan, Muni ki Reti and plains of Fakot development block attached to it).</td></tr>
<tr><td>Areas with a height of more than 800 meters above sea level in Raipur, Sahaspur, Vikasnagar, Kalsi and Doiwala development blocks of Dehradun district.</td></tr>
<tr><td>Areas with a height of more than 800 meters above sea level in Kotabagh development block of Nainital district.</td></tr>
<tr><td rowspan="3">D</td><td>Entire area of district Haridwar and Udham Singh Nagar.</td></tr>
<tr><td>Whole areas of Ramnagar, Haldwani development blocks, Municipal Corporation Haldwani, Nagarpalika Lalkuan, Nagarpalika Ramnagar of Nainital district and areas of Kotabagh development block of Nainital district having a height of 800 meters or less from the sea level.</td></tr>
<tr><td>Areas of Raipur, Sahaspur, Vikasnagar, Kalsi and Doiwala development blocks of Dehradun district which are 800 meters or less above sea level and areas of Dehradun Municipal Corporation.</td></tr>
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8. Components of the Scheme

I. Project Report Preparation

Under this scheme, various types of model projects permissible under this scheme will be made available on the prescribed portal. District Industry Centre and other related departments will also provide assistance to the applicants in the preparation of permissible projects under this scheme.

Banks will accept projects up to Rs. 10 lakh self-attested by the applicant and projects above Rs. 10 lakhs can be obtained certified by CA (Chartered Accountant).

II. Skill Development/Entrepreneurship Training

Under this scheme, skill training will not be a pre-requisite for obtaining loan. As per requirement, District Industry Centre can arrange for free training for the beneficiaries of this scheme by organizing 'Entrepreneurship Training Programs' under the District Plan of the concerned district.

III. Beneficiary contribution in project cost

The beneficiary's contribution in relation to the proposed project cost under the scheme will be as follows-

Beneficiary Category	Beneficiary contribution in relation to the project
General Category	10 %
Special Category (SC, ST, OBC, Minority, Ex-Servicemen, Women and Disabled)	05 %

IV. Bank Loan

Under the scheme, the remaining amount will be sanctioned by the banks as loan except the beneficiary contribution in respect of the proposed project, i.e. 90% of the project cost will be sanctioned to the general category applicants and 95% of the project cost will be sanctioned to the special category applicants. The banks can sanction the loan for the part related to permanent capital investment as term loan and for working capital as cash credit limit or Composite Loan. The bank will not sanction a loan (excluding beneficiary contribution) more than the amount of the project amount as forwarded by the District Industry Centre.

V. Subsidy (Margin Money)

Under this scheme, the following margin money/subsidy will be payable in relation to the approved project cost-

Geographical location of the project	Amount of subsidy in relation to project cost		
	upto Rs. 02 lakhs	More than Rs. 02 lakhs, up to Rs. 10 lakhs	More than Rs. 10 lakhs, up to Rs. 25 lakhs
Districts/Areas of Category A and B	30 %	25 %	20 %
Districts/Areas of Category C and D	25 %	20 %	15 %

Additional margin money/subsidy -

a. Geographical booster - 05 percent additional margin money/subsidy will be payable on projects established in rural areas and notified Nagar Panchayat areas.

b. Social booster - 05 percent additional margin money/subsidy will be payable to women and disabled beneficiaries.

C. Product Booster - 05% additional margin money/subsidy will be payable to the project related to the manufacturing of the identified product in a particular district under the state's ODOP/ODTP/GI tag.

Note- Any beneficiary/project will be entitled to the benefit of only one category out of the above-mentioned geographical booster, social booster and product booster.

VI. Marketing Assistance

i. In order to provide marketing assistance to the manufacturing enterprises established under this scheme, stalls can be provided at minimum rates in fairs/exhibitions organized by the Department of Industries, Uttarakhand or other government departments.

ii. Under the scheme, beneficiary enterprises will be motivated/trained to use marketing web portals like Government e-Market Place (GEM), Amazon, Flipkart etc. for online marketing of their products/services.

iii. For promotion of marketing of handloom/handicraft products and ODOP/ODTP/GI tagged products, space will be provided as per rules for product marketing in 'Himadri Emporium' functioning under Uttarakhand Handloom and Handicraft Council.

9. Eligible activities

Except activities prohibited by the Government of India or the State Government and traditional agriculture, the following activities will be included in the eligible activities under the scheme-

i. Manufacturing enterprises costing up to Rs. 25 lakhs.

ii. Service enterprises costing up to Rs. 10 lakhs.

iii. Trade and other businesses costing up to Rs. 10 lakhs.

In case of a project costing more than the above-mentioned limit, the additional cost will be borne by the entrepreneur himself and it will not be taken into account for calculation of margin money for the project.

10. Eligibility Conditions and Qualifications

i. At the time of application under the scheme, the minimum age of the applicant must be 18 years.

ii. The applicant should be a permanent or native resident of the state. In this regard, it will be mandatory to submit a certificate issued from the competent level along with the application form.

iii. The applicant should not be a defaulter of any nationalized or recognized bank/financial institution/cooperative bank or any other government institution.

iv. The applicant or any member of his family should not have received benefit under this scheme earlier. Only one member from the family as defined in this scheme will be eligible for benefit under the scheme.

v. A person can avail benefit under this scheme only once.

vi. The applicant must not have availed the benefit of any other self-employment scheme run by the Government of India or the State Government in the last 5 financial years, but if an applicant has availed benefit in any other self-employment scheme of the Government of India or the State Government before the last 5 financial years and is not a defaulter, then he can avail finance under the scheme for expansion of his enterprise.

vii. There is no requirement of minimum educational qualification for eligibility under this scheme.

viii. To avail the benefit of special category (Scheduled Caste, Scheduled Tribe, Other Backward Class, Minority, Ex-Servicemen, Women and Disabled) under the scheme, it will be mandatory for the concerned applicants to submit self-attested copies of certificates issued by the competent authority along with the application.

ix. The project proposed by the applicant must be commercially viable.

x. The proposed project by the applicant must be under the permitted activities of this scheme.

xi. An affidavit has to be submitted along with the application regarding fulfilment of all the eligibility conditions by the applicant.

11. Application Process The beneficiary will submit the online application along with all the mandatory/relevant documents on the portal set for the scheme.

12. Required documents It will be mandatory to upload/submit self-attested photocopies of the following documents on the portal-

i. Copy of the beneficiary's Aadhaar card.
ii. Copy of the beneficiary's permanent/native residence certificate.
iii. Project report of the proposed enterprise. (Self-attested for projects up to ₹ 10 lakh and certified by CA for projects above this amount)
iv. Passport size photo of the beneficiary, which is not more than 06 months old.
v. Copy of the certificate issued from the competent level for the benefits of other special categories. (It will be mandatory to submit a certificate issued by the competent level for other categories except for the female beneficiary mentioned in the special category)
vi. An affidavit on stamp paper to the effect that all the facts and records submitted by the applicant are correct and complete, the applicant fulfils the eligibility conditions prescribed under this scheme and no required facts have been hidden by him. In case of any adverse facts being found, action can be taken by the Industries Department as per rules, for which the beneficiary will be held fully responsible.
vii. In case the workshop building/shop is on rent, a copy of the lease deed.
viii. Quotations of current rates related to construction or repair of workshed or shop and plant and machinery/equipment.

Note- The documents mentioned at the above serial number- vii and viii can be submitted by the beneficiary after selection at the district level.

13. Scrutiny of application forms and beneficiary selection

i. Scrutiny of applications received on the prescribed portal will be done at the District Industry Centre level within 03 working days from the date of receipt of the application.

ii. In case of incompleteness or error in the application form, it will be returned immediately to the applicant for completion and correction of errors. Complete and correct application forms will be presented before the committee constituted at the district level for beneficiary selection.

iii. On the basis of the received application forms, the beneficiaries will be selected by the district level **scrutiny committee** constituted in the district, as below: -

General Manager, District Industry Centre	Chairman
Lead Bank Manager of the district	Member
District level officer of the department related with the project	Member
Manager, District Industry Centre	Member Secretary

General Manager, District Industry Centre may invite other departmental representatives as per requirement, in the meeting of the said committee.

iv. The district level scrutiny committee will select the beneficiaries by examining the applications and documents of the beneficiaries in view of the eligibility conditions prescribed under this scheme, viability of the project, first come first serve and the target for the district under this scheme. Interview is not mandatory for selection. Scrutiny committee meeting will be held at an interval of 15 days or less, so that selected applications can be sent to banks as soon as possible.

v. Applications selected through the committee will be forwarded to the concerned banks immediately by the District Industries Centre. On the basis of the applicant's request, the General Manager, District Industries Centre can also forward the application to a bank other than the bank mentioned in the application form. The process of forwarding the application form will be done online, information of which will also be sent to the applicant. In view of transparency and quick disposal in the application process, offline correspondence will not be made with the bank or the applicant.

14. Application disposal process at bank level

i. As per paragraph 5.4 of RBI circular No. RBI/FIDD/2016-17/37, Master Direction FIDD.MSME & NFS.3/06.02.31/2016-17, dated 21st July, 2016, banks will take decision regarding loan approval on online loan applications received at branch level within the maximum time limit prescribed as under-

Loan amount	Maximum time limit prescribed
Up to Rs. 05 lakh	02 weeks
More than Rs. 05 lakh and up to Rs. 25 lakh 03 weeks	03 weeks

This restriction of maximum time limit will be considered equally applicable to all banks for this scheme.

ii. Regarding the approved/rejected application forms, the bank branch will immediately inform the District Industry Centre and the beneficiary through the concerned portal.

iii. The bank branch will take action for loan disbursement within a maximum of 15 days from the date of loan sanction. The bank branch can disburse the loan in installments, but the bank branch will ensure that the disbursement of loan in installments does not cause any hindrance in the establishment and proper operation of the project.

iv. As per Para 4.2 of RBI Circular No. RBI/FIDD/2016-17/37, Master Direction FIDD.MSME & NFS.3/06.02.31/2016-17, dated July 21, 2016, no collateral security shall be accepted by the bank branch for disbursement of loan. Such banks which have been exempted from compliance of the aforesaid circular of RBI shall be allowed to obtain collateral security as per the rules.

v. The bank branch may fix an initial moratorium period for loan repayment as per the project. If the beneficiary is ready to pay the installment of bank loan from the beginning after loan disbursement, then it will be accepted by the bank.

vi. The period of bank loan repayment will be decided by the bank branch as per the bank loan, but this period will not be less than 02 years.

vii. Within 07 days after disbursement of the first installment of the loan, the claim of the margin money/subsidy as per the approved project by the financing bank branch will be compulsorily sent to the General Manager, District Industry Center of the concerned district through online medium.

15. Settlement/ Adjustment of Subsidy/ Margin Money Claim

i. General Manager, District Industries Centre will examine the Subsidy/Margin Money claim and send it to Directorate of Industries, Uttarakhand with recommendation.

ii. Directorate of Industries, Uttarakhand will examine the Subsidy/Margin Money claim and send the amount of margin money/subsidy in the account of the concerned beneficiary/bank branch, which will be available in the form of TDR (Term Deposit Receipt). After receipt of margin money in the bank branch, the bank branch will neither take nor pay interest on this part of the project.

iii. In case the project is successfully operated and there is no default, after 02 financial years the permissible margin money will be adjusted in the bank loan account of the concerned beneficiary in the form of subsidy. Before adjustment, joint physical inspection of beneficiary's project will be done by the officials of District Industries Center and concerned bank branch. At the time of inspection, photographs of the unit being functional and a copy of the joint inspection report will be uploaded on the prescribed portal.

iv. If the project is found nonfunctional at the time of physical inspection or capital investment or misuse of loan is found in a project other than the approved project, then the concerned margin money will be returned by the bank branch to the Industries Directorate, Uttarakhand through District Industries Center. If the project is found closed due to natural calamity or other extraordinary circumstances or in case of death of the beneficiary, then in such a situation, after obtaining permission from the General Manager, District Industries Center, the margin money can be adjusted in the loan account of the concerned beneficiary by the bank branch.

16. Promotion of the scheme

The responsibility of promotion of the scheme will be of the General Manager, District Industries Centre of the concerned district. The General Manager, District Industries Centre will organize workshops to motivate people to take up self-employment under the scheme and through these workshops, all possible help/guidance will be provided to enterprising young men/women by giving them all the information required for departmental schemes, self-employment opportunities, selection of projects and establishment of enterprises.

17. Review and monitoring of the scheme

i. The review of the disposal of the applications sent to the banks under the scheme will be done through BLBC (Block Level Bankers Committee) at the development block level, DLRC (District Level Review Committee) at the district level and SLBC (State Level Bankers Committee) at the state level. The reference received from the lower-level committee will be presented before the higher-level committee for consideration/decision.

ii. The progress of the scheme will be reviewed on a monthly basis at the district level by the 'District Self-Employment Promotion and Monitoring Committee' constituted as follows by the Uttarakhand Government's Notification No. 1400/VII-3/19(24)-M.S.M.E./2019, dated 06 August, 2019-

District Magistrate	Chairman
Chief Development Officer	Vice Chairman
Chief Agriculture Officer	Member
District Employment Officer	Member
Lead Bank Officer	Member
District Horticulture Officer	Member
District Village Industries Officer	Member
Assistant Director Dairy	Member
District Tourism Officer	Member
District Social Welfare Officer	Member
Representative of Chief Municipal Officer/Executive Officer, Urban Local Body	Member
General Manager, District Industries Center	Coordinator Member

iii. The progress of the scheme will be reviewed quarterly at the state level by the Director General/Commissioner of Industries and halfyearly review by the Principal Secretary/Secretary, Micro, Small and Medium Enterprises Department.

18. Other rules/conditions/provisions

i. A separate provision will be made for the scheme in the budget of the Micro, Small and Medium Enterprises Department.

ii. 2% of the total budget of the scheme may be spent as contingency for administrative work for the promotion and implementation of the scheme as per the requirement.

iii. The expenditure to be made under the scheme shall be kept limited as far as possible within the budget provision. In case additional liabilities are created from the amount provided in the budget in any financial year, it may be adjusted in the next financial year.

iv. The Principal Secretary/Secretary, Micro, Small and Medium Enterprises Department shall be authorized to issue clarification in the scheme.

v. Amendment/modification in any provision of the scheme may be made by the administrative department with the approval of the Hon'ble Minister.

vi. In case of wrong/misleading information or assistance received in an incorrect manner or if the unit is not found functional during inspection by District Industry Centre/Bank representative, within 02 years of the loan disbursal, margin money will not be adjusted and this amount will be returned to the Directorate of Industries through District Industry Centre.

vii. In case of dispute on any point/subject under the scheme, the applicant/beneficiary can appeal before the 'District Self-Employment Promotion and Monitoring Committee'.

viii. It will be mandatory for the beneficiary to put up a signboard in the prescribed format at his enterprise.

(Vinay Shankar Pandey)
Secretary