



**GOVERNMENT OF SIKKIM
COMMERCE & INDUSTRIES DEPARTMENT**

No.

Dated:

GUIDELINES

**SKILLED YOUTH STARTUP SCHEME(SYSS)
(A way for self-employment for educated unemployed youth)
General Operational Guidelines**

1. Introduction

The issue of employment creation has been a matter of great concern since long in Sikkim. The Government of Sikkim having pro-people attitude and the vision to reduce unemployment and create adequate self employment opportunities in the long run has formulated the Skilled Youth Start Up Scheme. The Scheme is intended to generate equitable entrepreneurial opportunities in rural as well as urban areas of the State, particularly among the educated unemployed youth to become self employed by setting up Manufacturing/Service/Business/Co-operative/Agriculture & allied activities by availing loan (category wise) with back ended subsidy assistance from the State Government @ 50% for BPL and @ 35% for rest on financially viable/ bankable Projects cost.

2. Objectives:

- i. To promote entrepreneurial qualities amongst the local unemployed youth and encourage them for setting up of any commercially viable/ bankable business venture in any sector including agriculture/ horticulture/ food processing/animalhusbandry/handloom&handicrafts/retail/tourism/services/ manufacturing etc. in the State in tune with the State Government policies.
- ii. To generate equitable entrepreneurial opportunities in rural as well as urban areas of the State through setting up of new self-employment ventures/projects by providing one-time non-refundable financial assistance of 50%/35% with back ended subsidy on project approval by the Bank/ PSU financial institution.

3. The Parameters of the Skilled Youth Start Up Scheme:

i. Nodal Department:

The Department of Commerce and Industries is the Nodal Agency at State level to implement the scheme across the state.

ii. Areas of Operation:

The scheme is applicable to all areas in the State including rural and urban areas.

iii. Implementing agencies:

The scheme will be implemented by the Department of Commerce & Industries through the District Industries Centres (DICs) for appraisal of the projects, their financial viability and providing assistance for their credit linkage with the financial institutions and line Departments.

4. Project size and quantum of admissible financial Assistance:

The maximum cost of the Project admissible shall be as indicated at Clause 09 of the guidelines. Admissible financial assistance of either 50%/35% of the approved bankable project cost in the form of back ended subsidy will be provided by the Government through Commerce & Industries Department. The back ended subsidy shall be released by the Commerce & Industries Department to the concerned public sector Banks/ PSU financial institutions upon sanction and disbursement of the project by them and shall be considered for adjusting against the loan repayment after the end of 3 years from the date of loan disbursement by the bank. Back ended subsidy will remain in the bank in fixed deposit in the name of beneficiary.

5. Eligibility Criteria:

- i. The applicant should possess Certificate of Identification (COI) of self or his/her father possessing Sikkim Subject Certificate/ Certificate of Identification/Residential Certificate for urban areas.
- ii. The applicant should be unemployed possessing minimum educational qualification of class V from any recognized school. For technical projects/ manufacturing and service sector the applicants should possess certificate from Technical Institute.
- iii. Applicant should be in the age group between 18 years to 45 years of age on the date of filing the application.
- iv. Only one member of a family shall be eligible to avail the benefits under the Scheme.
- v. The family income shall not exceed 8 lakhs per annum. The 'family' includes self, spouse and kids in case of married applicant. In case of unmarried beneficiary, family includes parents and unmarried siblings. In case of Government servant, 'C' and 'D' employees children can only avail this benefit.
- vi. The scheme comprises of subsidy and contribution of the beneficiary at 5 % of the project cost.
- vii. The beneficiary should not be a defaulter to any nationalized bank / financial institution / Co-operative bank.
- viii. A person who has already availed subsidy under CMSS/ PMEGP shall not be eligible under the scheme.
- ix. Trade License is mandatory for all kind of projects/businesses
- x. The applicant falling under the Persons with Disabilities(PWD) category will be given priority and can avail 50% loan subsidy

6. Other Eligibility Conditions:

- (i) Project cost will include Capital Expenditure and three months working capital requirement for the venture depending upon project.
- (ii) Cost of the land should not be included in the Project cost. Cost of the ready built as well as long lease or rental Work shed/ Workshop/ Shop can be included in the project cost subject to restricting such cost of ready built as well as long lease or rental Work shed/ workshop for a maximum period of 2 years only.

7. Promoter's contribution on Project cost:

Contribution of the beneficiary shall be 5 to 15% of the sanctioned project cost

8. Subsidy:

Subsidy at the rate of either 50% or 35% of the bank accepted and sanctioned project cost will be sanctioned by the Department and transferred online to the banks as back ended subsidy under the Scheme.

9. Activities covered and maximum project cost:

Sl. No.	Category	Maximum Project cost Admissible
1	Animal Husbandry, Agriculture & Allied activities-Dairy, Poultry and Piggery	Dairy:5 lakhs Poultry:3 lakhs Piggery:5 lakhs
2	Organic Farming - Green house	3 lakhs
3	Food Processing and other manufacturing sectors	10 lakhs
4	Wood Handicraft & Cottage Industries	10 lakhs
5	Metal Fabrication works	10 lakhs
6	Tourism -Paragliding, Mountain cycling, etc.	10 lakhs
7	Rural Homestays	15 lakhs
8	IT & IT enabled services	10 lakhs
9	Cutting and tailoring for Cooperative registered societies	20 lakhs
10	Bakery & Restaurants **	15 lakhs
11	Beauty Parlours/Boutique/Grocery/Manihari & other Retail shops	10 lakhs
12	Coaching Institute/Training Centre	5 lakhs
13	Herbal Products Industry including Nurseries	10 lakhs
14	Paper bags/Paper plates	10 lakhs
15	Bamboo based Industry (Cane & Bamboo)	10 lakhs
16	Automobile Workshop Garage/Car spa	10 lakhs
17	Diagnostic Centres	20 lakhs
18	Film Industry/Film Auditorium (Mini size) excluding construction	20 lakhs
19	Any Other Project which the Committee deems to be fit for funding	Nominal funding

** Employment generation criteria : One employee to be employed/engaged against an investment of Rs. 5 lakhs.

10. Training:

After the selection of beneficiaries, 03 days Entrepreneur Development Training Programme (considering the Covid 19 pandemic situation) shall be conducted by RSETI or any competent Government Training Institute and on completion, the institute will issue training certificates. However, the training shall be completed within 60 days from the date of selection of beneficiary by the Committee. The prescribed EDP training is mandatory before releasing of loans by the Banks.

11. How to apply:

The applicant can submit their applications in prescribed format as provided in Annexure-I in hard copies along with the Detailed Project Report and other relevant documents addressed to the General Manager, DIC (E/N)/(S/W) at Gangtok and Jorethang respectively.

12. Selection of Beneficiaries:

The applicants are required to submit the application in prescribed format as provided in Annexure-I in hard copies for availing the benefits under the Scheme. The District Industries Center shall receive the application along with the requisite documents as detailed in Clause 19 of the scheme guidelines and issue acknowledgement duly indicating the application ID. The Selection Committee under the chairmanship of General Manager DIC comprising of members from the line department will examine the project for in-principal approval in a slot of 30 applications in one sitting. The Selection Committee will forward the in-principle approved list to Headquarters for information. Exaggeration in the cost of the project with a view only to availing higher amount of subsidy shall not be considered for approval by the Committee. However, due to Covid 19 pandemic, with the approval of the Government the scrutiny committee meeting is escaped and complete set of documents will be forwarded to Banks directly.

13. Selection Committee under the Scheme:

The selection committee shall consist of the following members and sit for vetting proposal fortnightly:

I.	General Manager, District Industries Centre(concerned)	- Chairman
II.	Representative of DHH, Govt. of Sikkim	- Member
III.	Representative of SKVIB	- Member
IV.	Representative of Food Security & Agriculture Deptt.	- Member
V.	Representative of Horticulture Deptt.	- Member
VI.	Representative of Animal Husbandry Deptt.	- Member
VII.	Representative of Tourism & Civil Aviation Department	- Member
VIII.	Representative of Lead Bank, SISSCO, SBS & funding Bank	-Member
IX.	Joint Secretary/Deputy Secretary/Under Secretary Assistant Director, DIC(concerned)	-Member Secretary

All representative members from other Departments under Skilled Youth Start-Up Scheme shall be of the level of Deputy Secretary and above.

14. Disbursement:

The committee headed by Secretary, Commerce & Industries Department will be advising the Selection Committee from time to time for proper functioning of the scheme along with sanctioning of the back end subsidy and other policy matters. The committee at the headquarters shall consist of the following members:

I.	Secretary, Commerce & Industries Department	- Chairman
II.	General Manager, DIC(concerned)	- Member
III.	Representative of Lead Bank	- Member
IV.	Representative of RBI	- Member
V.	Representative of NABARD	- Member
VI.	Director (MSME)	- Member
VII.	Line Department officers not below the rank Joint Secretary	-Member
VIII.	Joint Secretary, Commerce & Industries Department	- Member Secretary

15. Financial Institutions:

The eligible Financial Institutions for extending loan under the Scheme are all Nationalized Banks, Private Sector Banks, State Co-operative banks and State Bank of Sikkim.

16. Repayment of loan

Repayment of loan amount along with interest obtained from the bank shall be the sole responsibility of the applicant as per the terms and conditions of the bank. If the beneficiary wants to close the loan account before the completion of the loan period, he can do so with the approval of the Commerce & Industries Department. If the beneficiary wants to close after one year, they are free to do for agriculture & allied activities and for others project the lock in is 3 years.

17. Physical Verification/ Monitoring and Evaluation:

With respect to follow up and to know the impact of the scheme and to ensure proper utilization of Government subsidy, 50% physical verification will be conducted by the concern DIC. 25% of the monitored projects by DIC will be physically verified by the following team :

i.	Director(MSME), Commerce & Industries Deptt	- Chairman
ii.	Joint Secretary/Deputy Secretary, Commerce & Industries Department	- Member
iii.	Representative of Lead bank	- Member
iv.	Representative of Financing bank	- Member
v.	Representative of Line departments	- Member
vi.	Assistant Director/Under Secretary, Commerce & Industries Department	- Member Convener

The progress of the Scheme will be reviewed and monitored by the Director, MSME, C&I Department and his team on quarterly basis.

18. Application format:

As provided in Annexure– I.

19. Documents to be submitted:

- (i) Two recent Passport size photographs.
- (ii) Attested Sikkim Subject Certificate/ Certificate of Identification/Residential Certificate for urban areas
- (iii) Attested copy of mark sheet and certificate issued by Board.
- (iv) Attested copy of Birth Certificate/ Certified by the local Panchayat
- (v) Two sets of Proposal with Project Report prepared and certified by the concerned Line Department.
- (vi) Copy of Electoral Voter Card as address proof.
- (vii) Copy of valid Unemployment Card issued by respective BAC.
- (viii) Land Parcha & Land Lease Agreement, if necessary in the project.
- (ix) Relevant permits/license at the time of sanction of bank loan.
- (x) BPL certificate from DESME.
- (xi) Income certificate issued by the concerned BDO/SDM Office.
- (xii) NOC from SABCO/SIDICO

The Skilled Youth Startup Scheme (SYSS) has been launched with effect from 15.08.2020. The scheme guidelines shall come into force with immediate effect.

By order in the name of Governor.

Sd/-
(M Ravikumar, IFS)
Director, MSME
Commerce & Industries Department.
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