

Frequently Asked Questions

NULM- Self Employment Programme & Bank Linkage

- ❖ What is the scheme promoted by Kudumbashree to start micro enterprises in urban areas?

Kudumbashree promotes micro enterprises in urban areas under Self Employment component of DAY- NULM programme.
- ❖ What is the process of submitting application to start micro enterprises in SEP under NULM programme?

The person interested to start micro enterprises may submit application to concerned Urban Local Bodies (ULBs) through the Kudumbashree CDSs, or may submit it directly to banks.
- ❖ What is the role of Task Force Committee in SEP?

Task force is a committee constituted at ULB level to screen applications submitted to start micro enterprises. The committee will scrutinize applications, check the viability of the enterprises and will recommend the applications to banks for sanctioning of loans. The Committee will ask the applicant to resubmit the application if the application is not submitted as per norms.
- ❖ What is the structure of a Task Force Committee?

The Task force consists of Municipal Secretary (Chairman of the committee), City Project Officer (Member Secretary), Representative from Industries department (Member), Representation from 2 banks (Members), 2 representatives from ADS/ CDS (Members), Lead Bank Manager (Member) and Kudumbashree District Mission Co-ordinator (Member).
- ❖ In how many days the applications submitted to banks should be processed?

The banks should process the applications within 14 days on receipt of applications. The banks may accept or reject it and should intimate it to the concerned.
- ❖ What is the project cost of Individual and group enterprises in SEP?

The project cost is Rs. 2 lakhs and Rs. 10 lakhs for individual & group enterprises respectively in SEP.
- ❖ Is capital subsidy provided in SEP in NULM?

No, Capital subsidy is not provided in SEP. In SEP interest subsidy support is provided.
- ❖ How interest subsidy is calculated and provided?

Subsidy is provided for interest above 7% charged by the banks. The interest subsidy is calculated quarterly and will be made available based on

the repayment made by the entrepreneur. The loan repayment details are collected by the banks and based on the statement received, the amount is transferred to the loan account of the entrepreneur.

❖ Are all eligible for additional 3% interest subvention?

No. In SEP, additional 3% subvention is provided to women entrepreneurs/ groups from Plan fund of Kudumbashree Mission.

❖ Are all persons residing in urban local bodies eligible to start SEP?

No. The scheme is for urban poor (persons having annual income less than Rs. 50,000/-). Both men and women can start enterprises under this component if he/ she satisfy the condition 'Urban poor'.

❖ Is animal husbandry & agriculture activities are promoted under SEP?

No. Animal Husbandry and agriculture activities are not promoted under SEP component in NULM.

❖ Do interest subsidy is provided for MUDRA loans?

Yes. Interest subsidy is provided for MUDRA loans, if the entrepreneur satisfies the condition of 'Urban Poor'. Interest subsidy will be given for an amount of Rs. 2 lakhs in the case of individual enterprises and Rs.10 lakhs for group enterprises.

❖ Are enterprises started under SJSRY (DWCUA & USEP) & SEP component eligible for additional financial assistance (Technology Fund, Technology upgradaton fund, Second Assistance, Revolving Fund, Innovation Fund etc) provided by Kudumbashree Mission?

Enterprises started under SJSRY and SEP schemes are eligible for additional financial assistance provided by Kudumbashree Mission. They may apply for additional financial assistance based on the guidelines.