

उदय प्रताप सिंह
UDAI PRATAP SINGH



सत्यमेव जयते

मुख्य कार्यकारी अधिकारी
Chief Executive Officer
खादी और ग्रामोद्योग आयोग
Khadi & Village Industries Commission
सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय
Ministry of Micro, Small & Medium Enterprises
भारत सरकार
Government of India

No.PMEGP/PG-PMEGP/2013-14

Date: 29.05.2013

C I R C U L A R

Sub.: Action plan for inviting applications, carrying out DTFC and also execute events like exhibitions, workshops, awareness campaigns etc. under PMEGP – reg.

PMEGP scheme is the flagship scheme of Ministry of MSME as well as KVIC. The scheme has received outstanding response and the performance has exceeded the targets during the last 3 years. The scheme has been approved for 12th Five Year Plan with an outlay of ₹.8060.00 Cr.

2. It is, however, observed that there are certain gaps in implementation, which need to be streamlined during the implementation of the scheme. The performance relating to sanctions and disbursements are found to be achieved only during the last quarter of the financial year. 60% to 70% of the performance in respect of margin money utilization is during the last quarter of the financial year. The applications are invited and DTFC meetings are convened in the 3rd and 4th quarter of the financial year. This delays the process of disbursement of margin money and creates need for time extension for the adjustment of margin money by the banks. This aspect has been criticized during the review meetings by Ministry of MSME as well as by Department Related Parliamentary Standing Committee on Industry. This practice needs to be corrected.

3. It is, therefore, decided that for the year 2013-14 and onwards following corrective actions needs to be initiated by the State/Divisional Directors along with concerned stakeholders viz. KVIC, KVIB, DICs and Banks:

- a. Advertisement and awareness campaigns for inviting applications from the beneficiaries should be completed in the first quarter of the year i.e. by 30th June.
- b. DTFC meetings should be conducted in all the Districts at least once in a month before the end of the 2nd quarter of the year and applications short listed by DLFTCs should be forwarded to banks not later than 30th September.
- c. Review of sanctions, disbursement vis-à-vis District wise and State wise margin money targets should be conducted by SLMC under the Chairmanship of Principal Secretary during October/November and if shortfalls are anticipated in the sanctions vis-à-vis the targets, action for inviting additional applications should immediately be commenced through advertisement during the month of November. Convening of DTFC and forwarding of these applications should be completed by 31st December.
- d. The process of sanctions and full disbursement should be followed up during the last quarter i.e. from January, 31st March.
- e. As regard exhibitions, it is observed that performance against the target and outlay is not satisfactory. It is, therefore, decided that calendar of the exhibitions at the District Level, State Level and Zonal Level, should be planned by State/Divisional Directors coinciding with local festivals, melas, events and the calendar for the year should be sent to the Directorate of PMEGP for information and monitoring purpose. Needless to mention that exhibition targets have to be achieved by the State/Divisional Directors without fail.
- f. All exhibitions should be completed preferably before the end of 3rd quarter of the year, except in exceptional cases.
- g. Entrepreneurship Development Programme (EDP) is Mandatory in the PMEGP scheme and it is observed that there is a huge backlog in the EDP which needs to be liquidated during the current year. Though the extension

has been given for conducting the EDPs within 12 months of release of first installment, all out efforts may be made to depute beneficiary for EDP training immediately after the loan is sanctioned and release of first installment by banks. This will facilitate the quick disposal of EDP training.

- h. Some references been received in respect of EDP centers and doubts have been expressed relating to availability of infrastructure of the EDP Centers. Hence directions have already been issued vide circular No.PMEGP/EDP.trg/2010-11 dated 18.01.2011 for conducting 100% physical verification of EDP centers and their infrastructure before recommending them for empanelment, which may be strictly complied by the State/Divisional Directors.
- i. 100% physical verification of the PMEGP units is mandatory and is very crucial for the purpose of finalizing margin money adjustment account. Outsourced agency is being engaged at State Level for conducting of 100% physical verification of PMEGP units. This should be attended on top priority by the State Directors and it should be ensured that the capable and competent agencies are selected for this purpose by following GFR norms so that the process is completed in time and final report is submitted to enable to issue adjustment letters by the implementing agencies to the banks. Since this is continuous process, necessary action should be taken by the State Directors for selecting outsourced agency and conducting of 100% physical verification promptly.
- j. Directions have already been issued for mandatory e-tracking of application from the year 2013-14 and onwards and applications will be forwarded to banks only after entering them in the e-tracking system. Similarly banks should accept PMEGP applications only if they are entered in the e-tracking system. The staff of outsourced agencies for e-tracking has to be posted in the office of DIC at District Level to carry out e-tracking in respect of all the 3 agencies as well as banks. This may be done without fail.

- k. Furnishing of margin money adjustment account has been made non-negotiable by Ministry of MSME, to ensure that final adjustment account takes place in respect of margin money in the account of beneficiary. It has been clearly informed that no funds will be released to State/Divisional Offices who do not furnish the margin money adjustment account in the prescribed format in respect of PMEGP units sanctioned during 2008-09 and 2009-10. Urgent action for compliance is required in this regard by all the concerned i.e. KVIC, KVIB, DICs and Banks.
- l. The Ministry of MSME has been providing funds under SC sub-plan and ST sub-plan. Accordingly targets have been provided under the margin money as well as B&FL to all the State/Divisional Directors including implementing agencies. Funds received from the Ministry of MSME in respect of Margin Money and B&FL has been released from time to time to State/Divisional Offices. In view of this State/Divisional Directors should utilize the funds strictly under the SC sub-plan and ST sub-plan as per the targets provided for the year.
- m. Web portal has been created to facilitate e-marketing by PMEGP entrepreneurs and for this purpose State/Divisional Directors were requested to send budget estimate for engaging agency to collect the required product photographs and data from the PMEGP units (vide letter No.: PMEGP/B&FL/Website/ 2012-13 dated 17.04.2013). The same may be furnished immediately so that necessary allocation may be issued to the field offices for engaging agency for collecting data for web portal.
- n. Furnishing of timely Utilization Certificate in the prescribed format under the GFR 19A in respect of funds released under the margin money subsidy and B&FL is mandatory by the State/Divisional Directors for KVIC, KVIB and DICs, which should be complied with.
4. The above directions should be complied by all concerned including State/Divisional Directors, KVIC, KVIBs, DICs and Banks. The above circular should also be brought to the

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information of State Level Bankers Committee (SLBC), State Level Monitoring Committee (SLMC), Chairman and Convener of DTFC and other forums for necessary action.

5. Zonal Dy. CEOs should review the compliance of the above Circular in respect of State/Divisional Offices under their jurisdiction and take corrective actions in case of short falls, if any.

(Udai Pratap Singh)
Chief Executive Office

To

1. Principal Secretaries, State Governments,
2. CEOs, KVIBs,
3. Zonal Dy. CEOs, KVIC
4. State/Divisional Directors, KVIC

Copy to:

All Members of the Commission

Copy in Head Office, Mumbai to:

1. Secretary to Hon'ble Chairman, KVIC.
2. OSD to CEO Cell
3. A.O. to FA Cell
4. D.D. to CVO Cell
5. Sr. PA to Jt. CEO
6. Director (IT) - with a request to place the circular on KVIC website.
7. Director (Publicity) - for publishing the same in the ensuing issue of Jagriti.
- 10 Hindi Officer, KVIC, Mumbai to translate the same in Hindi version.

Director, PMEGP