

139

**KHADI AND VILLAGE INDUSTRIES COMMISSION
3, IRLA ROAD, VILE PARLE (WEST), MUMBAI -56**

No: PME GP/Policy/Gen/2010-11

Date : 27-05-2011

C I R C U L A R

Sub:- Transparency and effective monitoring for implementation of PME GP to prevent irregularities and malafide acts in implementation at implementing agency level.

The Prime Minister's Employment Generation Programme (PME GP) is the flagship scheme of Ministry of MSME and KVIC. The scheme is being implemented by KVIC and KVIBs in rural areas and in urban and rural areas by DICs. KVIC is the single nodal agency for the scheme and has to ensure monitoring, data collection, reporting and also attend to physical verification, quality improvement, and policy making issues related to the scheme.

2. Instances have been highlighted by CVO, KVIC wherein cases of irregularities and malafide actions from field during implementation of PME GP have been reported. This is a matter of great concern as it affects not only the image of the scheme but also the organization involved. It has also been learnt that malafide practices are reported at the level of forwarding applications to DLTF C as well as scrutinizing the applications for short listing applications at DLTF C level and forwarding to banks. Thus extra care need to be exercised by all the Controlling Officers including State/Divisional Directors, KVIC for having 100% transparency and proper check and verification while implementing the scheme.

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3. For purpose of bringing in transparency and systematic procedure for ensuring prevention of irregularities/ malafide acts the following system is proposed for immediate implementation and compliance by implementing agency (s) including State/Divisional Directors of KVIC.

- (i) **Receipt of applications:** The applications for PMEGP have to be called for through public advertisement, awareness camps involving agencies like Nehru Yuva Kendra, Women Development Association, Panchayat Raj Institution, AWWA, etc. The beneficiary can submit the application along with project report at nearest KVIC/KVIB/DIC/Bank office.

A provision of receiving applications in duplicate be made and staff should be assigned duty in KVIC /KVIB/DIC office for receiving the applications under PMEGP. Applications should be invited in duplicate and one copy should be immediately stamped with date and time of receipt and handed over to the applicant as acknowledgement. Inwarding of applications should also be made in line with date of receipt of application which should be monitored by an Officer not below the rank of Assistant Director of KVIC/KVIC/DIC. First come first serve basis should be strictly adopted for this purpose.

The applications received have to be compulsorily inwarded and maintained in an Application Register in each District /Divisional /State Office of KVIC/ KVIB/ DIC. The Sr. No. needs to be registered in the register and correspondingly on the application. The register will be checked and countersigned by State/Divisional Director/Head of office of KVIB & DIC every fortnight. A format of register is enclosed at Annexure-I.

The register has to be made available for viewing by the public on demand without any cost. It is also to inform that applications much in excess of target fixed for District or State may also result in cases of

137

irregularities/ malpractices. Therefore applications to the extent of maximum three times the target of Margin Money subsidy may be accepted at District /Divisional /State Office of KVIC/ KVIB/ DIC. After receipt of the same no more applications are to be accepted.

Excess applications left pending with the sponsoring agencies over and above target should be utilized for the next financial year.

(ii) Scrutiny and forwarding of applications of DLTFC.

Applications received and inwards in the application register will be scrutinized against the minimum eligibility criteria as per the scheme norms, (Annexure-II enclosed now) and list of applications fulfilling the basic scheme norms should be forwarded to DLTFC Convenor within 10 working days not exceeding 15 days from the last date of receipt of the application. In case of further delay the reasons for delay should be recorded in the remark column of the register by the concerned State/Divisional Director, KVIB & DIC. The reasons for rejection of applications at State/Divisional level, KVIB & DIC level should also be clearly mentioned in the register and it should be displayed in the notice board and web-site where e-tracking is in place.

(iii) Regular convening of DLTFC

It has been reported that in many states the DLTFC meeting is not held every fortnightly and in some cases only one or two DLTFC meeting in a year. As per scheme guidelines DLTFC meeting should be held every fortnight without fail till the targets for the District are achieved.

(iv) Scrutiny at DLTFC

At DLTFC, scrutiny and short listing of applications should be done strictly as per the score card laid down under the scheme guidelines and the score card rating has to be filled in by the DLTFC and should be available for viewing on demand by the applicant. The reason for the rejection of the application at DLTFC level should invariably be recorded in the DLTFC minutes.

The marks of the scorecard may be specified and eligibility of the candidates needs to be assessed as per total marks obtained. The details of application selected and rejected with reason should be put up in the notice board of all the implementing agencies and also in website wherever available.

(v) Forwarding of applications to bank:

Applications short listed by DLTFC should be forwarded to banks within 15 working days which need to be ensured by DLTFC as well as State/Div. Directors of KVIC, KVIB and DIC. There should not be delay in forwarding the shortlisted application to the Banks and the time limit prescribed should be adhered to strictly. In respect of applications forwarded by KVIC, KVIB and DIC to banks regular monitoring is to be done and applications sanctioned and rejected need to be monitored and details to be put up on notice board of field offices of KVIC, KVIB and DIC. In case of application rejected, reasons for rejection have to be obtained from bank. The issue should also be followed in SLBC meeting, for application whose rejection by bank is not reasonable/ justified.

(vi) Candidates selected by DLTFC will be provided project formulation guidance and orientation by KVIC/KVIB/DIC who will also assist and guide them in project formulation. KVIC/KVIB/DIC should not insist for Project Report while forwarding the selected applications to the respective Banks as the

candidates submit the Project Report directly to the Banks for their consideration.

(vii) State/Divisional Directors should monitor the activity of inwarding the application, scrutiny as well as forwarding of applications to DLTFC and transparent systematic selection at DLTFC level and forwarding to banks to ensure that all transparency is followed and no irregularity is committed in respect of all agencies.

(viii) Forwarding of Margin Money claims from financing Branch to Nodal Branch.

As per the scheme the MM claims have to be forwarded from financing branch to Nodal branch directly for adjusting of margin money. It has been reported that many of the offices of KVIC are collecting the margin money claims from financing branch and after scrutiny forwarding to the nodal branch. While this may expedite the process, however, complaints have been received for irregularities and mal-practices as resultant of this deviation in the scheme and therefore all the implementing agencies i.e. KVIC, KVIBs and DICs are directed not to make any such deviation and strictly implement the scheme as per scheme norms. No Margin Money claims should be collected by the implementing agencies from the financing branch as it violates the scheme norms.

(ix) Timely issue of EDP certificate

Complaints have been received that EDP certificates are not issued promptly to PMEGP beneficiaries on completion of EDP and malpractices are reported in the issuing of EDP certificate to the beneficiaries.

To avoid this practice it is directed that EDP certificate is to be issued during the valedictory session of the programme and no delay should be permitted for issue of EDP certificate.

- (x) Regular checking and monitoring of application movement is a must. State/Divisional Directors may fix a day in a month wherein applicants of all agencies having grievances under PMEGP can meet the State/Divisional Director and express their grievances for remedial action. This is to be advertised and publicized for the benefit of the applicants.
- (xi) Zonal Dy. CEOs should monitor the above system and should also carry out random check of the Application Register and functioning of the system.
- (xii) The above system and procedures should also be followed by KVIBs and DICs for transparency and quality implementation and to prevent irregularities and malpractice in operation of the scheme.
- (xiii) CEO, KVIB and Secretary/ Director Industries may kindly note the above guidelines and ensure strict compliance.
- (xiv) The Directorate of PMEGP and Directorate of Vigilance will also conduct Preventive Vigilance camp on PMEGP in each zone. State/ Divisional offices to inculcate proper system and sensitization and transparency to their staff for proper implementation of PMEGP.

Kindly note that Controlling Officers have to ensure proper implementation with complete transparency and absolute integrity. Any lapses deviation shall be suitably punished.

Matter most important.

The above guidelines will come into force with immediate effect.

hmw 27.5.11

(J.S. Mishra)
Chief Executive Officer

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To

- ✓ 1. State/Divisional Directors, KVIC
- ✓ 2. CEO State/UT, KVIBs
- ✓ 3. Director/Commissioner, Industries

Copy for information to:

- ✓ 1. Joint Secretary, Ministry of MSME
- ✓ 2. All Members of KVICs
- ✓ 3. All Zonal Dy. Chief Executive Officers
- 4. All District Collector/Chairman, DLTF

Copy for information in KVIC, Central Office, Mumbai

- 1. Secretary to Chairperson. *26.11*
- 2. OSD to CEO
- 3. AO, FA Cell *26/11*
- 4. AO, CVO Cell - *26/11*
- 5. Sr.PA to Joint CEO *26/11*
- 5. All Programme /Industry Directors, Mumbai
- 10. Director (IT) for website *2-6-2011*
- 11. Director (Publicity) for publishing in Jagriti *2/6/11*

27/5/11

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Format of Register to be maintained by Implementing Agency (KVIC, KVIB & DIC)

S. N.	Name of beneficiaries & address	Date of receipt	Rural/Urban	Cate-gory	Cost of project	Date of placing DLTFC	Date of DLTFC	Date of forward the applicati on to SO/DO	Reason of Reject ion	Date of intimation to beneficiary	Sign of Director	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13

Annexure – II

CHECKLIST FOR PRELIMINARY SCRUTINIZATION

S.N.	Particulars	
1	Name of applicant / Institution	
2	Application received Date	
3	Date of Birth	
4	Sex - Male /Female	
5	Father's Name/Husband Name	
6	Communication Address	
7	Permanent Address	
8	E-mail Id/Mobile No.	
9	Qualification	
10	EDP Training Status -if any	
11	Category - SC/ST/OBC/PHC/GEN/ WOMEN/NER / Minority/HBA	
12	Address of proposed location of unit - Rural /Urban	
13	Type of activity Manufacturing /Service	
14	Whether activities comes under Negative List ? Yes/No	
15	Total project cost ₹....	C.E...: W.C. : Own Contribution: Total :
16	Margin Money involved	
17	Name of preferred Bank	
18	Date of DLTFC where application placed	

Please tick () or (x)

Nodal Officer

State Director