

**Directorate of PMEGP**  
**Khadi and Village Industries Commission,**  
**3, Irla Road, Vile Parle (West), Mumbai-400 056**

No.PMEGP/Ministry/2/2011-12

Date: 28.08.2012

4/9/

**CIRCULAR**

Sub: Inclusion of business/trading activities under Prime Ministers Employment Generation Programme for availing assistance

The Ministry of MSME vide their letter no. 4(83)/2007-KVI-pt. dated 23.07.2012 has communicated the approval of inclusion of business/trading activities for availing assistance under Prime Ministers Employment Generation Programme.

The salient guidelines for inclusion are as detailed below :

(i) Business / trading activities in the form of sales outlets may be permitted in NER, LWE-affected districts and A&N Islands. The LWE-affected districts, the extant classification on MHA may be adopted. The same was recently obtained from MHA vide MHA's ID dated 08.02.2012 (copy enclosed.)

ii) Retail outlets backed by manufacturing (including processing) / service facilities may be permitted (across the country).

Note : That the retail outlets are backed by bonafide manufacturing / service facilities may be certified to be so by the district level task force committee which recommends the case and specifically checked and certified to be so by the bank which sanctions the loan.

iii) The maximum cost of the project for business / trading activities as above {(i) and ii)} may be Rs.10 lakh (at par with the maximum project cost for service sector.)

iv) Maximum 10% of the Margin Money allocation in a year in a state may be used for business / trading activities as above {(i) , (ii) and (iii)}.

**v) The products sold from these sales outlets/retail centers may not fall in the negative list of PMEGP.**

vi) It may be ensured that the trading/business units should not exceed 10% of the financial allocation of the Margin Money allocated for the year to the State including the targets of KVIC, KVIB and DIC. Margin Money targets for trading/business activities Statewise and implementing agencies wise for 2012-13 is detailed at annexure – I.

**vii) It is also clarified that for those States where on account of large pending margin money claims, no fresh sanctions are possible under PMEGP for 2012-13, in such case no business/trading units should be sanctioned, which may be noted.**

viii) Further at para ii retail outlets backed by manufacturing/service facility can be sanctioned only to new units/projects being submitted for sanction under PMEGP.

ix) This will be a single composite project. For **manufacturing** with retail outlet the project cost should not exceed ₹. 25.00 lakhs. For **service projects** with sales outlets the maximum project cost should not exceed ₹. 10.00 lakhs.

x) State/Divisional Directors of KVIC are requested to note the above guidelines and circulate in SLMC, SLBC and also bring it to the notice of implementing agencies, banks, District Collectors and all concerned.

xi) The contents of the above circular may be given due publicity thorough advertisement, awareness camp, workshop etc.

