

KHADI AND VILLAGE INDUSTRIES COMMISSION,  
3<sup>rd</sup>,IRLA ROAD, VILE PARLE (WEST), MUMBAI-56.

No.PMEGP/Scheme/2009-10

Date: 24.12.2009

**ADDENDUM TO OFFICE ORDER NO.2027**

Sub: Implementation of Prime Minister's  
Employment Generation Programme  
(PMEGP)- EDP -Reg.

The detailed guidelines in respect of processing of applications, Selection by DTFC, Sanction by banks, EDP training, release of bank loan and release of Margin Money subsidy etc. were issued vide O.O. No.2027 dated 1.10.2008 as well as corrigendum O.O. No.2041 dated 10.8.2009.

2. In respect of EDP training at 4 (i) of O.O. No.2027 it was mentioned that after issuance of the sanction order by the financing branch, the beneficiary has to undergo EDP training before releases of first instalment of loan.

3. The above issue had been deliberated in detail during the review meeting of PMEGP held on 3.12.2009 under the Chairmanship of Secretary, MSME, New Delhi. It was observed that the first generation entrepreneurs are under pressure of interest burden looking to the

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time consumed in EDP training. To reduce the time lag for release of Margin Money from Nodal Branches following decision has been taken:-

4. "sanctioning authority need not wait for the completion of EDP for disbursement of the loan to beneficiaries, claiming as well as settlement of subsidy by nodal branches. However, if such bank authorities feel that EDP is necessary before disbursal in some specific projects, the same can be insisted upon by them. Final adjustment of subsidy kept in Term Deposit Receipt (TDR), after physical verification of the project should not be made till EDP is completed".

5. However, looking to the importance of EDP training as well as to ensure profitability of the project, the said training should be invariably completed by the respective implementing agencies within 12 months of release of first instalment.

6. The State/Divisional Director of KVIC, CEO/MD of State/UT KVIB and Director Industries of State Govt. may kindly note the above changes and bring in to the notice of the nodal as well as financing branches of the

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