



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

No.PMEGP/Pvt Cop.Bank/Scheme/09-10/1943 Date: 17-06-2009

**C I R C U L A R**

**Subject : PMEGP scheme implementation through  
Scheduled Commercial Banks under Private  
Sector and Co-operative Sector -reg.**

**Ref :** i) Standing Order No.1673 dt. 1-10-2008  
ii) Office Order No. 2027 dt. 1-10-2008.

The role of Scheduled Commercial Banks under Private Sector and Co-operative Sector in the implementation of PMEGP is given in the guideline stating that Margin Money portion will be paid on actual reimbursement basis to such Banks by KVIC, references are receiving from various field offices regarding detailed operational guidelines for implementation of PMEGP scheme through Scheduled Commercial Banks under Private Sector and Co-operative Sector.

In this regard, the following steps may be followed while implementing the scheme through Scheduled Commercial Banks under Private Sector and Co-operative Sector.

1. The intended Scheduled Commercial Banks under Private Sector and Co-operative Sector are to be approved on case to case basis by State Level Task Force Committee(Monitoring committee) headed by Principal Secretary, Industries / Commissioner Industries after verification of intending banks' last 3 years balance sheet by ascertaining quantum of lending portfolio.

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2. Lendable portfolio covering the exact amount of Lendable fund by the Scheduled Commercial Banks under Private Sector and Co-operative Sector earmarked for implementation of PMEGP scheme in a particular year. This has to be ascertained by verification of last three years balance sheet about lending ratio towards various government Schemes of the particular bank.
3. The State Level Task Force Committee (Monitoring committee) will exercise utmost caution while approving Scheduled Commercial Banks under Private Sector and Co-operative Sector after due care based on their financial soundness.
4. The State Director in consultation with State/UT KVIB, Director of Industries of respective State (for DICs) and SLBC will identify one Nodal branch in any major Scheduled Commercial Banks under Private Sector and Co-operative Sector at State head quarters or where State Office of KVIC is located. Based on the need open one Saving Bank Accounts by KVIC/KVIB/DIC exclusively to deal with all Scheduled Commercial Banks under Private Sector and Co-operative Sector with consensus of all participating Financing Branch/Banks. This Branch will settle the Margin Money Claims of respective agencies of the State. The Nodal Bank should give monthly progress report (agency wise) to respective State Director.
5. The Divisional Director, KVIC may also identify one Nodal Branch in any Major Scheduled Commercial Banks under Private Sector and Co-operative Sector at Divisional headquarters with consultation of State Director and SLBC. The Divisional Offices will entertain only the claims of KVIC' sponsoring projects within the target limit.

