



Directorate of Prime Minister's Employment Generation  
Programme  
KHADI AND VILLAGE INDUSTRIES COMMISSION  
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No.PMEGP/Policy/2022-23

Dt : 01.06.2022

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

The Ministry of Micro, Small and Medium Enterprises (MoMSME) vide office memorandum bearing No.PMEGP/ Policy/09/2021 dated 13<sup>th</sup> May 2022 has conveyed the approval for continuation of PMEGP Scheme for 5 years from FY 2021-22 to FY 2025-26 with some modifications in the existing scheme. The copy of modified scheme guidelines with detailed operational guidelines in terms of scheme and Backward & Forward linkages activities are enclosed herewith.

PMEGP online portal has also been modified as per revised guidelines. All the implementing agencies including financing banks may be informed to implement the revised scheme guidelines, henceforth from the Financial Year 2022-23.

All State/Divisional Directors, KVIC are requested to circulate the modified scheme and operational guidelines among all stake holders in the State and organize sensitization workshop with all Implementing Agencies and Banks about the modification of revised PMEGP Scheme guidelines for effective implementation of the scheme. PMEGP online portal for implementation of revised scheme will be operational with effect from 01.06.2022.

This is issued with the approval of Competent Authority.

Yours sincerely,

Encl : As above.

  
(M.Rajan Babu)  
Dy.CEO (PMEGP)

To,

1. All State/Divisional Directors, KVIC
2. All Chairman/CEO, State/UT, KVI Boards
3. All Principal Secretary, Industries of the States/UTs
4. All CMDs of Banks
5. All Zonal Dy.CEOs, KVIC



ग्रामोदय, 3, इर्ला रोड, विलेपार्ले (प.) मुंबई-400056.

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Website: www.kvic.org.in

Copy for kind Information to :

1. Jt. Secretary, Ministry of MSME, New Delhi
2. OSD to CEO, KVIC
3. The Secretary, Commission Cell, KVIC
4. OSD to FA, KVIC, Mumbai
5. The Director, Vigilance, KVIC, Mumbai
6. All Dy.CEOs in Central Office, KVIC, Mumbai
7. All Industry/Programme Directors, KVIC, Mumbai
8. Director (IT)....with a request to place the Circular on KVIC / PMEGP website.
9. Director (Publicity) with a request to publish the same in the ensuing "JAGRITI".
10. Director (Hindi Cell) – with a request to translate in Hindi.
11. Master file for record.

  
Dy.CEO (PMEGP)  
01/06/22



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## PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP)

### 1. The Scheme

Government of India had in August 2008, approved the introduction of a new credit linked subsidy programme called Prime Minister's Employment Generation Programme (PMEGP). It was launched by merging the two schemes that were in operation till 31<sup>st</sup> March 2008, namely Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) for generation of employment opportunities through establishment of micro enterprises in non-farm sector for rural as well as urban areas. *PMEGP is in operation since 2008-09 and has been approved for continuation over the 15<sup>th</sup> Finance Commission cycle i.e., for the period of five years from 2021-22 to 2025-26.*

PMEGP is a central sector scheme being administered by the Ministry of Micro, Small and Medium Enterprises (Mo MSME). The scheme is being implemented by Khadi and Village Industries Commission (KVIC), a statutory organization under the administrative control of the Ministry of MSME as the single nodal agency at the National level. At the State level, the scheme is implemented through State offices of KVIC, State Khadi and Village Industries Boards (KVIBs), District Industries Centres (DICs), Coir Board (for coir related activities) and Banks. Government may also involve other suitable agencies for implementation of the scheme. The Government subsidy under the scheme is routed by KVIC through the nodal Bank to the Financing Bank branches & subsequently transferred to the beneficiary account after completion of lock-in period based on the outcome of the physical verification report. The Implementing Agencies (IA) will associate reputed autonomous institutions in the field of Entrepreneurship Development in Government of India and State Government Self Help Groups (SHGs)/ National Small Industries Corporation (NSIC)/Udyami Mitras empanelled under Rajiv Gandhi Udyami Mitra Yojana (RGUMY), Rural Self Employment Training Institute (RSETIs)/Rural Development & Self Employment Training Institute (RUDSETIs), Panchayati Raj institutions and other relevant bodies in the implementation of the scheme, especially in the area of identification of beneficiaries, area specific viable projects, and providing training in entrepreneurship development, handholding and mentoring of beneficiaries.

### 2. Objectives

- (i) To generate employment opportunities in rural as well as urban areas of the country through setting up of new self-employment ventures/projects/micro enterprises.
- (ii) To bring together widely dispersed traditional artisans/ rural and urban unemployed youth and give them self-employment opportunities to the extent possible, at their place.
- (iii) To provide continuous and sustainable employment to a large segment of traditional and prospective artisans and rural and urban unemployed youth in the country, so as to help arrest migration of rural youth to urban areas.

- (iv) To increase the wage-earning capacity of workers and artisans and contribute to increase in the growth rate of rural and urban employment.

### 3. Quantum and Nature of Financial Assistance

#### 3.1 Funds under PMEGP Scheme will be available under two major heads

##### I Margin Money Subsidy

- (i) Funds will be allocated under annual Budget Estimates towards disbursement of Margin Money(subsidy)for setting up of new micro enterprises/units; and
- (ii) From the funds allocated under BE for the Margin Money subsidy, **Rs. 100 Cr.** or as approved by the competent authority will be earmarked for each FY towards disbursement of Margin Money (subsidy) for upgradation of existing PMEGP/REGP/MUDRA units.

##### II Backward and Forward Linkages

**5% of the total allocation** under BE for a Financial Year against PMEGP, or as approved by the competent authority, shall be earmarked as funds under Backward and Forward Linkages and will be utilized for arranging awareness camps, State/District level monitoring meetings, Workshops, Exhibitions, Bankers meeting, TA/DA, Publicity, Entrepreneurship Development Programme (EDP) training, Physical verification & Geo-tagging, Evaluation & Impact Assessment study, Setting of Entrepreneurship Facilitation Centre (EFC), Center of Excellence (CoE), Engagement of Field Experts and Data Entry Operators (DEOs), Creation and Upgradation of IT infrastructure, Awards, Call Centre facility, PMU, other related activities and settlement of other residual liabilities by the KVIC.

#### 3.2 Levels of support under PMEGP

##### (i) For setting up of new micro enterprise (units)

Categories of beneficiaries under PMEGP (for setting up of new enterprises)	Beneficiary's contribution (of project cost)	Rate of Subsidy (of project cost)	
		Urban	Rural
Area (location of project/unit)			
General Category	10%	15%	25%
Special Category (including SC,ST,OBC, Minorities,Women,Ex-Servicemen, Transgenders, Differentlyabled, NER,Aspirational Districts, Hill and Border areas(as notified by the Government) etc.	05%	25%	35%

##### Note

- 1) The maximum cost of the project/unit admissible for Margin Money subsidy under Manufacturing sector is Rs. 50 lakhs.

- 2) The maximum cost of the project/unit admissible for Margin Money subsidy under Business/Service sector is Rs. 20 lakhs.
- 3) The balance amount (excluding the own contribution)of the total project cost will be provided by Banks.
- 4) If the total project cost exceeds Rs. 50 lakhs or Rs. 20 lakhs for Manufacturing and Service/Business sector respectively, the balance amount may be provided by Banks without any Government subsidy.

**(ii) 2<sup>nd</sup> Loan for upgradation of existing PMEGP/REGP/MUDRA units**

<b>Categories of beneficiaries under PMEGP (for upgradation of existing units)</b>	<b>Beneficiary's contribution (of project cost)</b>	<b>Rate of Subsidy (of project cost)</b>
All Categories	10%	15% (20% in NER and Hill States)

**Note**

- 1) The maximum cost of the project/unit admissible for Margin Money subsidy under Manufacturing sector for upgradation is Rs. 1.00 crore. Maximum subsidy would be Rs.15 lakh (Rs.20 lakh for NER and Hill States).
- 2) The maximum cost of the project/unit admissible for Margin Money subsidy under Business/Service sector for upgradation is Rs. 25 lakh. Maximum subsidy would be Rs.3.75 lakh (Rs.5 lakh for NER and Hill States).
- 3) The balance amount (excluding the own contribution)of the total project cost will be provided by Banks.
- 4) If the total project cost exceeds Rs. 1.00 Crore or Rs. 25.00 lakhs for Manufacturing and Service/Business sector respectively, the balance amount maybe provided by banks without any Government subsidy.

**4. Eligibility Conditions of Beneficiaries**

**4.1 For PMEGP new enterprises (Units)**

- i. Any individual, above 18 years of age
- ii. There will be no income ceiling for assistance for setting up projects under PMEGP.
- iii. For setting up of project costing above Rs.10 lakh in the Manufacturing sector and above Rs. 5 lakh in the Business /Service sector, the beneficiaries should possess at least VIII standard pass educational qualification.
- iv. Assistance under the scheme is available only for new projects sanctioned specifically under the PMEGP.

- v. Existing Units (under PMRY, REGP or any other scheme of Government of India or State Government) and the units that have already availed Government Subsidy under any other scheme of Government of India or State Government are not eligible.

**Other eligibility conditions for PMEGP (New units)**

- (i) Projects without Capital Expenditure are not eligible for Financing under the Scheme.
- (ii) Cost of the land should not be included in the Project cost. Cost of the ready built shed as well as long lease or rental Work-shed/Workshop can be included in the project cost subject to restricting such cost of ready built as well as long lease or rental workshed/workshop to be included in the project cost calculated for a maximum period of 3 years only.
- (iii) PMEGP is applicable to all new viable microenterprises, including Village Industries projects *except activities prohibited by local Government/Authorities keeping in view environment or socio-economic factors* and activities indicated in the negative list of the guidelines (Para 30 of the guidelines)
- (iv) Trading activities
- Business / Trading activities in the form of sales outlets may be permitted in NER, Left Wing Extremism (LWE)-affected districts and A & N Islands.
  - Retail outlets/Business - selling Khadi products, Village Industry products procured from Khadi and Village Industry Institutions certified by KVIC and products manufactured by PMEGP units and SFURTI clusters only may be permitted under PMEGP across the country.
  - Retail outlets backed by Manufacturing (including processing) / Service facilities may be permitted across the country.
  - The maximum cost of the project for Business / Trading activities as above [(a) and (b)] may be Rs.20 lakh (at par with the maximum project cost for Service sector).
  - Maximum 10% of the financial allocation in a year in a state may be used for Business / Trading activities as above [(a), (b) and (c)].
- (v) Transport activities -Transport activities viz purchase of Cab/ Van/ Boat/Motorboat/Shikara etc. for transportation of tourists or general public will be allowed. A ceiling of 10% on the extent of projects financed under transport activities is applicable in all areas except NER, Hilly region, LWE-affected districts and A & N Islands, Goa, Puducherry, Daman & Diu, Dadra Nagar Haveli, J&K, Lakshadweep, or other specific areas as may be declared so by the Government.

Note:

- 1) Only one person from one family is eligible for obtaining financial assistance for setting up of projects under PMEGP. The 'family' includes self and spouse.

**4.2 For up-gradation of existing PMEGP/REGP/MUDRA units:**

- i. Margin Money(subsidy)claimed under PMEGP has to be successfully adjusted on the completion of lock in period of 3 years.
- ii. First loan under PMEGP/REGP/MUDRA has to be successfully repaid in stipulated time.
- iii. The unit is profit making with good turnover and having potential for further growth in turnover and profit with modernization/upgrading the technology.

## **5. Implementing Agencies**

### **5.1 Implementing Agencies**

The Scheme will be implemented by Khadi and Village Industries Commission (KVIC), Mumbai, a statutory body created by the Khadi and Village Industries Commission Act, 1956, which will be the single nodal agency at the national level.

At the State level, the scheme will be implemented through State Directorates of KVIC, State Khadi and Village Industries Boards (KVIBs), District Industries Centres and COIR Board for coir related activities. Other agencies like National Scheduled Castes Finance and Development Corporation(NSCFDC), National Scheduled Tribes Finance and Development Corporation (NSTFDC), National Backward Classes Finance & Development Corporation (NBFDC), Indian Institute of Entrepreneurship (IIE) Guwahati, National Institute for Entrepreneurship and Small Business Development (NIESBUD)&National Institute for Micro Medium and Small Enterprises (NI-MSME), Institute of Entrepreneurship Development (IED) Odisha, TR&TCs, O/o DCMSME and MSME DIs etc. can also be enrolled as IAs, as and when necessary.

All IAs, including the IAs that may be enrolled in future, will be allowed to receive and process applications in all areas irrespective of the rural or urban category. KVIC will coordinate with State KVIBs/State DICs, other IAs and monitor performance in rural and urban areas. The IAs will also involve National Small Industries Corporation (NSIC), Udyami Mitras empanelled under Rajiv Gandhi Udyami MitraYojana (RGUMY), *RSETIs/RUDSETIs* Panchayati Raj Institutions, NGOs of repute and other relevant agencies(as indicated in Section 5.2) in identification of beneficiaries under PMEGP.

Coir Board will be involved in identifying the Coir Units for their setting up under PMEGP in both rural as well as urban areas, their handholding and mentoring.

### **5.2 Other Agencies**

- i. Department of Women and Child Development (DWCD), Nehru Yuva Kendra Sangathan (NYKS) and The Army Wives Welfare Association of India (AWWA).
- ii. NGOs having at least five years' experience and expertise in Project Consultancy in Small Agro & Rural Industrial Promotion and Technical

Consultancy Services, Rural Development, Social Welfare having requisite infrastructure and manpower and capable of reaching Village and Taluk level in the State or Districts. NGOs should have been funded by State or National Level Government Agencies for any of its programmes in the preceding 3 years period.

- iii. Professional Institutions/Technical Colleges recognized by Government/University and University Grants Commission (UGC)/ All India Council for Technical Education (AICTE) having department for vocational guidance or technical courses providing skill-based training like ITI, Rural Polytechnic, Food Processing Training Institute, etc.
- iv. Certified KVI institutions aided by KVIC / KVIB provided these are in category A+, A or B and are having required infrastructure, manpower and expertise for the role.
- v. Departmental and Non-Departmental Training Centres of KVIC / KVIBs.
- vi. Micro, Small and Medium Enterprises Development Institutes (MSME-DIs), MSME Tool Rooms and Technical Development Centres, under the administrative control of Office of Development Commissioner, MSME.
- vii. National Small Industries Corporation's (NSIC) offices, Technical Centres, Training Centres, Incubators and Training cum Incubation Centres (TICs) set up in PPP Mode.
- viii. National level Entrepreneurship Development Institutes like National Institute for Entrepreneurship and Small Business Development (NIESBUD), National Institute for Micro, Small and Medium Enterprises (NIMSME) and Indian Institute of Entrepreneurship (IIE), Guwahati under the administrative control of Ministry of MSME, their branches and the Entrepreneurship Development Centres (EDCs) set up by their Partner Institutions (PIs).
- ix. PMEGP Federation, whenever formed.
- x. Any other Agencies with the approval of competent authority.

## **6. Financial Institutions**

- i. All Public Sector Banks
- ii. All Regional Rural Banks, Co-operative Banks, Private Sector Scheduled Commercial Banks regulated by RBI
- iii. Small Industries Development Bank of India (SIDBI)

## **7. Identification of beneficiaries:**

The identification of beneficiaries will be done at the district level by the State/district level implementation agencies and Banks. The Bankers should be involved right from the beginning to ensure that bunching of applications is avoided. The applicants, who have already undergone training of at least 10 Days(for offline mode)/ 60 hours (for online mode) under Entrepreneurship Development Programme (EDP) / Skill Development Programme (SDP) / Entrepreneurship cum Skill Development Programme (ESDP) or Vocational Training (VT) need not undergo EDP training again.



Priority will be given to the persons affected by natural calamities/disaster in the areas which are declared as affected by "disaster" as defined under Section 2(d) of the Disaster Management Act, 2005 by the Ministry of Home Affairs.

Exaggeration in the cost of the project with a view only to availing higher amount of subsidy should not be allowed.

KVIC in consultation with Indian Banks' Association (IBA) had devised a scoring model (score card), which is being used by IAs for appraisal of PMEGP proposals and subsequent forwarding of the applications/proposals to the Banks. This scoring model is displayed on the websites of KVIC and Ministry.

## **8. Bank Finance**

**8.1** The Bank will sanction 90% of the project cost in case of General Category of beneficiary and 95% in case of Special Category of the beneficiary and disburse full amount suitably for setting up of the project.

**8.2** Bank will finance Capital Expenditure in the form of Term Loan and Working Capital in the form of cash credit. Project can also be financed by the Bank in the form of composite loan consisting of Capital Expenditure and Working Capital.

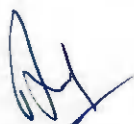
**8.3** Maximum project cost under PMEGP is Rs. 50 lakh, which includes Term Loan for Capital Expenditure and Working Capital. For Manufacturing units, Working Capital component should not be more than 40% of the project cost and for units under Service/Trading sector, the Working Capital shall not be more than 60% of the project cost. However, for the projects where the Capital Expenditure reaches the maximum ceiling of the project cost for Manufacturing/ Service sector units, the Bank can consider sanctioning of additional funds over and above Rs. 50 Lakhs and Rs. 20 Lakhs respectively. In such cases, the additional funds over and above Rs.50 lakh/20 lakh will not be covered for subsidy.

In case the incurred Capital Expenditure and Working Capital Expenditure (at the end of the third year from the commencement of production) is less than the sanctioned amount under the Bank loan (including own contribution), the excess Margin Money(subsidy) (against the shortfall) shall be refunded to KVIC.

### **8.4 Rate of interest and repayment schedule**

Normal rate of interest shall be charged. Repayment schedule may range between 3 to 7 years after an initial moratorium as may be prescribed by the concerned Bank/financial institution.

RBI has issued necessary guidelines to the Banks to accord priority in sanctioning projects under PMEGP. RBI also issues suitable guidelines from time to time as to which RRBs and other Banks will be excluded from implementing the scheme.



**9. Definition of Industry and Employment Criteria**

Any Industry (except those mentioned in the negative list) located in the rural/urban area which produces any goods or renders any service with or without the use of power and in which the fixed capital investment per head of a full-time artisan or worker i.e. Capital Expenditure on workshop/ workshed, machinery and furniture divided by full time employment created by the project does not exceed Rs.3 lakh in plain areas and Rs.4.50 lakh in Hilly areas.

**Note:** Per-capita ceiling has been enhanced to Rs.4.5 lakhs as a special case for activities under PMEGP in respect of A&N Islands and Lakshadweep

**10. Rural Area**

(i) Any area classified as Village as per the revenue record of the State/Union Territory, irrespective of population

**OR**

(ii) All the areas, irrespective of their population, falling under Panchayati Raj Institutions will be accounted under rural areas, whereas areas falling under Municipality to be treated as urban areas.

**11. Modalities of on-line Process Flow of application and fund flow under the Scheme**

**11.1** Project proposals will be invited from potential beneficiaries at district level through press, advertisement, radio and other multi-media by KVIC, KVIBs, DICs and other IAs at periodical intervals depending on the target allotted to that particular district. The scheme will also be advertised/publicized through the Panchayati Raj Institutions and other suitable Government organizations which will also assist in identification of beneficiaries.

**11.2** Online applications will be mandatory, and no manual applications will be allowed as PMEGP Portal has been developed and put into operation by KVIC. Applications for new projects and also for upgradation/expansion of the existing units as per eligibility criteria defined under the PMEGP scheme will be filled and submitted only through the said PMEGP-Portal.

**11.3** There are separate online application forms available on the portal for individuals applying for setting up of new units and upgradation of existing units

**11.4** Applicants will be provided with User ID and Password at the time of initial registration (application filing) for their use in tracking the status of their application. Applicant will also be provided with application ID on final submission.

**11.5** Applicant's Aadhaar number is mandatory and is authenticated with UIDAI database before they proceed for filing the application. In case of individuals to whom no Aadhaar number has been assigned, such individual shall make an application for Aadhaar Enrolment and furnish the Enrollment number. In case an individual has not been issued an Aadhaar number in certain areas (NER, J&K, etc.), the

individual shall be offered alternate and viable means of identification like PAN card etc. for benefit under the scheme.

**11.6** There will be a provision to upload the Photo and documents which are necessary for screening the application, before submitting the application. These documents will include the following:

- a. Caste Certificate
- b. Special Category Certificate, wherever required
- c. Rural Area certificate
- d. Project Report
- e. Education/ EDP/Skill Development training certificate
- f. Any other applicable document

**11.7** The applicant will fill all information in the respective fields of online application form available on the portal. The Username and Password will be provided to the applicant's registered mobile number immediately after saving the online application for future access.

**11.8** The applicant shall upload all the required documents as per the eligibility criteria for first and second tranche/dose of assistance as applicable. A self-assessed score will be generated based on the information filled by the applicant. On completion of all documentation, the applicant will make final submission and get the unique Application ID through which the status of application can be tracked. The applicant can also download and print the acknowledgement as a proof for submission of the application. The entire set of documents and application form will be electronically forwarded to the representatives of the preferred IA.

**11.9** Within five working days of receipt of application, the nodal officer of KVIC, State KVIB, DIC and other IAs shall interact with the applicant personally on telephone or personal meeting and confirm the receipt/ acceptance of the application for preliminary scrutiny. The nodal officer will do all the required correction in the application in consultation/cross checking with the applicant and also provide hand holding to the applicant at every stage. The IAs shall ensure that the activity proposed is as per the scheme guidelines and not covered under the negative list of activities before forwarding to the Financing Bank for credit decision.

The IAs shall take the final decision to either forward complete/corrected applications directly to one of the Financing Banks opted by the applicant as per the order of preference for taking credit decisions or return to applicant based on the scoring criteria as detailed below:



Project Cost	Minimum Score for Forwarding to Banks
Up to Rs. 10 Lakhs	50 out of 100
Above Rs.10 Lakhs	60 out of 100

The complete/corrected applications must be forwarded to the banks as soon as possible and in no case later than three weeks of receipt of the final application by the IAs.

**11.10** Applications which do not conform to the scheme guidelines, or which remain incomplete even-after consultation with the applicant will also be rejected by the concerned Nodal Officer, recording reasons for rejection. Reasons of rejection will also be conveyed to the applicant.

**11.11** District Level Monitoring Committee (DLMC), consisting of the following members, will be set up in each district to monitor the performance of implementation of PMEGP in their respective district on quarterly basis and submit report to the Commissioner/Principal Secretary (Industries);

- a. District Magistrate/Deputy Commissioner/Collector or his/her representative not below the rank of Deputy Collector- Chairman
- b. PD – DRDA / EO – Zilla Panchayat- Vice Chairman
- c. Lead Bank Manager- Member
- d. Representative of KVIC/KVIB/DIC/Other IAs- Member
- e. Representative of NYKS/SC/ST Corporation- Special Invitee
- f. Representative of MSME-DI, ITI/Polytechnic- Special Invitee
- g. Representative from Panchayat - 3 members  
(To be nominated by Chairman/District Magistrate/ Deputy Commissioner/ Collector by rotation)
- h. Director RSETI/RUDSETI- Member
- i. General Manager, DIC of the District - Member Convener

**11.12** There shall be an Online Grievance Portal and a Grievance Cell to be setup by the KVIC, HQ. The Grievance Cell will act upon the on-line complaints within 48 hours and direct the concerned State Officers to take necessary action. Applicant, if not satisfied with the recommendations of the implementing Agencies, can file grievance against such rejection to the GM, DIC or State Director, KVIC of the concerned State, whoever is senior. CEO- KVIC, CEO-KVIB and Principal Secretary(Industry) will be appellate authority for respective cases.

*AS*

**11.13** The Bank will appraise the projects and take their own credit decision on the basis of viability of each project. No collateral security will be insisted upon by banks in line with the guidelines of RBI for projects involving loan up to Rs.10 lakh in respect of the projects forwarded to them by the agencies. However, they will appraise projects both technically and economically after ensuring that each project fulfills *inter alia* the criteria of

- i. Industry
- ii. Per Capita Investment
- iii. Own Contribution
- iv. Rural Areas and
- v. Negative List (Para 30 of the guidelines)

**11.14** The Banks will either sanction or reject the loan application within a stipulated period. Sanction will be issued online and copies of the sanction order will be sent to the applicant (by e-mail/hard copy) as well as to KVIC/ KVIB/ DIC/other IAs within 30 days from the receipt of application from the District Agencies. The sanction letter will also be automatically forwarded to the online EDP portal and concerned RSETI, or other authorized training centre, for conduction of EDP training in case where the applicant has not undergone the training. The prescribed EDP training is mandatory before releasing of loan by the Banks. In case of delay in sanctioning of loan by Banks, applicants can file complain on PMEGP grievance portal, which shall reach the concerned nodal officer within two working days. The nodal officers of the concerned implementing agency shall take immediate necessary action to resolve the issue in consultation with the lead bank manager.

**11.15** Applicants need not wait for sanction of loan but can undertake EDP training at any time after submission of the application form in consultation with State office of KVIC on payment of EDP charges.

**11.16** The applicant will deposit his own contribution and copy of EDP training certificate with photo and Aadhaar number to the Financing Bank within 30 working days of receiving the communication of his sanction of loan. EDP certificate shall also be uploaded by the training institute.

**11.17** Bank will release the first instalment of the loan either in full or partly and submit the claim for Margin Money subsidy online through the on-line portal of Nodal Bank/KVIC Portal.

**11.18** The Financing Bank shall generate the Margin Money Claim subject to fulfillment of the following:

- i. Date of release of first instalment is prior to the date of filing of Margin Money(subsidy) claim

- ii. EDP training is completed by the applicant and updated on the portal
- iii. Applicant has deposited own contribution
- iv. The disbursement of first installment equal to or more than the eligible Margin Money.

The Financing Banks shall ensure that the activity proposed is as per the scheme guidelines and not covered under the negative list of activities before generating the claim. KVIC will verify and validate the Margin Money claims and forward to the Nodal Bank for onward releasing of the Margin Money to the Financing Bank within 3 working days if the claims are in order. In case any shortcomings/ deficiencies found in the Margin Money claims, the same shall be returned back to the Financing Banks/ IAs for rectification and re-submission.

- 11.19** Nodal Bank will transfer the Margin Money subsidy claim amount validated by KVIC to the respective Financing Bank branch within 24 hours of the receipt of validation.

If the Financing Bank branch certifies that all the facts furnished in the claim are true and the above activity of the unit is not under the negative list of PMEGP scheme and is as per the norms and guidelines of PMEGP, validation by KVIC could be dispensed with and the MM claim will be sent directly to Nodal Bank portal for disbursement online by the Financing Bank branches.

- 11.20** Once the Margin Money (subsidy) is received in the Financing Banks on behalf of the beneficiary, within 24 hours it should be kept in the Term Deposit Receipt (TDR)/Subsidy Reserve Fund (SRF) for three years at branch level in the name of the beneficiary. No interest will be paid on the TDR/SRF, and no interest will be charged on loan disbursed for the corresponding amount of TDR/SRF. Banks shall ensure to update the TDR/SRF details such as TDR/SRF number and date on the PMEGP portal. Financing Banks shall upload the details of subsequent loan installments and rate of interest on the PMEGP portal.

- 11.21** SMS/e-mail alerts to the applicant will be automatically sent by the system at each of the above stages.

- 11.22** In case the Bank's advance goes "bad" before the three-year period, due to any reason whatsoever, beyond the control of the beneficiary, the Margin Money (subsidy) will be returned to KVIC. In case any recovery is affected subsequently by the Bank from any source whatsoever, such recovery will be utilized by the Bank for liquidating their outstanding dues.

- 11.23** Margin Money (subsidy) will be 'one time assistance', from Government. For any enhancement of credit limit or for expansion/modernization of the project, Margin

Money (subsidy) assistance is not available except in case of units selected for upgradation through 2<sup>nd</sup> loan under this Scheme.

**11.24** Projects financed jointly i.e., financed from two different sources (Banks / Financial Institutions), are not eligible for Margin Money (subsidy) assistance.

**11.25** Bank has to obtain an undertaking from the beneficiary before the release of Bank finance that, in the event of objection (recorded and communicated in writing) by the IA, the beneficiary will refund the Margin Money (subsidy) kept in the TDR/SRF or released to him after three years period.

**11.26** Banks and all IA have to ensure that each beneficiary prominently displays the following signboard at the main entrance of his project site:-

(Unit Name).....
Financed By..... (Bank), District Name
Under
Prime Minister's Employment Generation Programme (PMEGP) Ministry of Micro, Small and Medium Enterprises

**11.27** PMEGP portal captures the re-payment of loans by the PMEGP beneficiary. Officers of concerned agencies viz. IAs will also visit the units at-least once in every 3months after their setting-up in order to check their status and provide necessary guidance/handholding & mentoring. Details of such visits by the concerned officer shall be captured in the PMEGP MIS portal. PMEGP MIS portal should be able to capture details of the physical verification of the unit done by the third-party Agencies as well as disbursements of Margin Money (subsidy) adjustment into the loan account of the beneficiary.

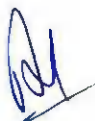
**11.28** The portal's MIS ensures that there is no overlap between the loan sanctioned and disbursement through the Financial Year and enables generation of various reports including category wise, rural, urban, bank wise, district wise, state wise, year wise, industry sector wise, size of project wise etc.

### **11.29 Subsidy for upgrading of existing units**

- (i) An additional component namely Expanding/Upgrading the existing unit set up under PMEGP/REGP/MUDRA has been added, wherein the units already setup under PMEGP/REGP/MUDRA and performing very well in terms of turnover, profit making and loan repayment will be eligible for availing further financial assistance of up to Rs.1.00 crore for Manufacturing units, through Banks with uniform subsidy of 15-20% by the Government for all specified categories in clause 3.2 (ii). For Service/Trading units the financial assistance would be up to Rs.25 lakhs only.
- (ii) Units would be selected uniformly from all over the country, about 10 from each district based on the population density, industrial development, availability of traditional skill/raw material etc.
- (iii) KVIC has made relevant provision in the PMEGP-e-Portal alongwith simplified application form for submitting application by the existing units for up-gradation.
- (iv) The District level Agencies (KVIC/KVIB/DIC/other IAs) after the preliminary scrutiny will forward the applications to Financing Banks, which will appraise the project both economically and technically and take the credit decision. The Financing Banks will claim the Margin Money(subsidy) as per the procedure prevalent for PMEGP units. The Margin Money(subsidy) will be kept as TDR/SRF for three years. No interest will be paid on the TDR/SRF and no interest will be charged on loan disbursed to the corresponding amount of TDR/SRF.
- (v) TDR/SRFs will be adjusted in the loan account of the beneficiary after completion of 3 years lock in period on the basis of positive report of the physical verification by the third-party Agencies. In case of any dispute, joint verification can be done by the concerned IA with the Financing Bank and third-party Agencies. Margin Money shall be adjusted by the Financing Bank only on the receipt of Margin Money (subsidy) adjustment letter from the concerned IA.

### **12.1 Budget outlay and targets**

An outlay of Rs.13,554.42 Crore has been approved for PMEGP for five Financial Years (2021-22 to 2025-26) to setup about 4 lakh projects (micro enterprises) with creation of about 30 lakh employment (@8 persons per unit). In addition, 1000 Units will be upgraded in each Financial Year.





12.2 Estimated year-wise physical and financial outputs/deliverables (tentative).

Name of the Component	Projected Financial Outlay(Rs. Crore)					Parameter	Physical Outcome				
	2021-22	2022-23	2023-24	2024-25	2025-26		2021-22	2022-23	2023-24	2024-25	2025-26
(a) MM Subsidy for new units	2350	2450	2525	2625	2779.4	i)Number of new projects to be set up (in Nos.) ##	75,800	77,700	77,700	80,700	85,500
						ii)Estimated Employment to be generated (in lakh persons)*	6.06	6.21	6.21	6.45	6.84
Subsidy for upgradation (2 <sup>nd</sup> Loan)	100	100	100	100	100	i)Number of projects to be upgraded (in Nos.)	1,000	1,000	1,000	1,000	1,000
						ii)Estimated Employment to be generated (in Nos.)	5,000	5,000	5,000	5,000	5,000
(b) Backward and Forward Linkage(B&F L) #	50	50	75	75	75	Awareness Camps, Exhibitions, Bankers meeting and Publicity, EDP, Physical verification, Concurrent Evaluation, Geo tagging, PMU, Field experts DEO, etc.(As indicated in Clause 3.1.II) #(Allocation under MM/BFL may be modified/adjusted as per utilization)					
Total	2500	2600	2700	2800	2954.42	* Estimated employment @ 8 persons for new projects ** Estimated employment @ 5 persons for upgraded projects ## Average per unit subsidy is taken as Rs. 3.1 lakh for 2021-22, Rs.3.15 for 2022-23, and Rs.3.25 lakh for 2023-24 to 2025-26.					

### 13 Entrepreneurship Development Programme (EDP)

**13.1** The objective of EDP is to provide orientation and awareness pertaining to various managerial and operational functions like finance, production, marketing, enterprise management, banking formalities, book-keeping, statutory compliances etc. to run their business effectively.

The prospective entrepreneurs and the beneficiaries whose loan has already been sanctioned by the Banks can undergo EDP training either in online or offline mode. The duration of the training would be for at least 5 days for projects with project cost up to Rs.5 lakh and for project with cost above Rs.5 lakh, the duration of EDP would be at least 10 days.No EDP training will be mandatory for projects up to Rs. 2 Lakh. The prospective entrepreneurs and beneficiaries can opt for the mode of training and choose the training center for offline mode of their choice.

EDP training is mandatory for claiming the Margin Money (subsidy).The training will include interaction with successful rural entrepreneur, Banks as well as orientation through field visits. The EDP will be conducted by KVIC in online or off line mode through KVIC, KVIB Training Centers as well as Accredited Training Centers run by Central Government, NSIC, the three national level Entrepreneurship Development Institutes (EDIs), i.e., NIESBUD, NIMSME and IIE,and their partner institutions under the administrative control of Ministry of MSME, State Governments, Banks, Rural Development and Self Employment Training Institutes (RUDSETI), reputed NGOs, and other organizations / institutions, identified by the Government from time to time.

The beneficiaries who have undergone EDP earlier of duration not less than 10 Days through KVIC/KVIB or reputed Government training centers will be exempted from undergoing fresh EDP.

The training centres / institutes will be identified by KVIC, and extensive publicity will be provided about the training centres / institutes, content of courses available, duration, etc. by circulating the same to all the IAs.EDP certificate shall be uploaded by the concerned training institute on the PMEGP portal along with validation immediately after completion of the training.

Further, KVIC shall also arrange for training, hand holding and mentoring etc. for the beneficiaries beyond 3 years of setting up of units through hiring of experts and engaging institutions like MSME-DIs, TR -TC of DCMSME, NI-MSME etc.

Note:

- a) KVIC has developed an online module to provide free 2-day EDP training to prospective entrepreneurs.



### **13.2. Budget for EDP Charges to the Training Centers**

Rates of EDP training may be fixed by the KVIC as per the prevailing rates in Government approved training centers.

### **14. Physical verification of PMEGP Units**

100% physical verification with geo-tagging of the actual establishment and working status of each of the units, set up under PMEGP, including those assisted by other IAs, will be done by KVIC, through the third-party agencies having expertise in this area, following the prescribed procedures as per General Financial Rules (GFR) of Government of India. Banks, DICs, KVIBs and other IAs will coordinate and assist KVIC in ensuring 100 % physical verification. A suitable mechanism will be devised by KVIC for such physical verification of units. Periodical reports, in the prescribed format will be submitted by KVIC to the Ministry of MSME.

The establishment of unit shall be considered after six months from the date of release of first installment by the Financing Bank. Physical verification process should start after two years from the date of establishment of unit and should be completed before the completion of lock in period of 3 years. After completion of physical verification and lock in period of 3 years, the IAs shall issue an MM adjustment letter to the Financing Banks based on the outcome of physical verification report. The Financing Banks will only adjust the Margin Money (subsidy) on receipt of the adjustment letter from the concerned IA. The Financing Bank is not authorized to adjust the Margin Money(subsidy) before the mandatory lock in period of 3 years as well as without adjustment letter from the concerned IA. The Financing Banks shall remit back the call back Margin Money (subsidy) to KVIC through a proper accounting system. KVIC shall develop a mechanism for the same.

### **15. Awareness Camps**

**15.1** KVIC in close coordination with other IAs will organize awareness camps throughout the country to popularize PMEGP and to educate potential beneficiaries in rural, and urban areas about the scheme. The awareness camps will involve participation from the unemployed men and women with special focus on special category, i.e., SC, ST, OBC, Differently able, Ex-Servicemen, Minorities, Women, Transgenders. etc. The details of participants and area of interest of the prospective entrepreneurs participated during the awareness camp shall be maintained by the IAs.

There will be two camps permissible for a district annually, and the camps shall be organized in close coordination with the IAs and Banks. IAs shall organize special awareness camps in the poor performing districts to improve the performance of the scheme. The potential beneficiaries identified during the awareness camp shall be provided handholding support in identification of activities, formulation of DPR,

documentation, online application, co-ordination with the Financing Bank etc. by the IAs through the expert resources/agencies. The financial pattern for awareness camp towards publicity and other necessary expenses for organizing such camps, shall be devised by KVIC and communicated separately.

**15.2 Mandatory activities to be undertaken in the awareness camps:**

- i. Publicity through banners, posters, hoardings, weekly webinars, press advertisements in local newspapers and nukkad natak
- ii. Presentation on the scheme by KVIC/KVIB/DIC/Coir Board, other officials.
- iii. Presentation by Lead Bank of the area
- iv. Presentation by successful PMEGP entrepreneurs
- v. Distribution of sanction letters to PMEGP entrepreneurs who have been sanctioned the project by Bank.
- vi. Press conference.
- vii. Collection of data (in the prescribed format) from the potential beneficiaries, which will include information like profile of beneficiaries, skills possessed, background and qualifications, experience, project interested in, etc. IAs shall provide all necessary hand holding support to the participants.
- viii. A shelf of projects for consideration under PMEGP, prepared by KVIC has already been circulated by KVIC/Ministry to some of the prominent State Industries Secretaries and Banks. For any further inclusion of projects in the shelf already prepared, the IAs shall forward the details of such projects to KVIC. KVIC will in turn, expand the shelf of projects, in due course, in consultation with Banks and other IAs, by utilizing the provisions in 'Training and Orientation' under Backward and Forward Linkages.
- ix. A wide range of Detailed Project Reports(DPR) has been prepared by KVIC and made available on the PMEGP online portal and KVIC website to be showcased during the awareness camp for the benefit of participants. More than 400 industry wise sample DPRs have already been uploaded on the online portal by KVIC.
- x. Marketing Support
  - a) Marketing support for the products, produced by the units under PMEGP maybe provided through KVIC's Sales outlets, as far as possible. KVIC will reserve the right to provide such a support based on quality, pricing and other parameters to be separately circulated by KVIC to KVIBs/DICs.

Besides the above, Exhibitions, Workshops at District/State Zonal/National and International levels, Buyer-Seller Meets, etc., will be arranged for the benefit of PMEGP beneficiaries by KVIC.

## 16. Workshops

### a) Objectives

- (i) To brief potential beneficiaries about benefits under the PMEGP Scheme and other KVIC Schemes, SFURTI, ASPIRE, National SC ST Hub, SCLCSS, CHAMPIONS, MSE-CDP, etc.
- (ii) To create a Data Bank of PMEGP units regarding products produced, Services /Business activity details, production, supply capacity, present marketing set up employment and project cost, etc.
- (iii) To interact with PMEGP entrepreneurs to obtain feedback about the units, their problems, support required, success stories etc.
- (iv) To involve experts in marketing and export to support PMEGP units in these areas.

### Note:

- (i) It should be ensured that a minimum number of 200 prospective entrepreneurs participate in the Workshop.

### b) *The State Level Workshop will include the following activities:*

The state level workshop shall be organized jointly by IAs in the state. During the workshop the IAs shall present the performance of the scheme in the state and formulate the plan of action for further growth of the scheme. During the workshop, the agencies shall also analyze the penetration of the scheme at District, Taluka and Panchayat level. Participation of the Financing Banks shall also be reviewed, and necessary corrective action shall be made to bring pro-active participation of the various Banks. During the workshop, the experiences of successful as well as not successful beneficiaries will be heard, and the problem areas will be identified for corrective action. Possibilities for extending various supports in terms of technology, Manufacturing practices, training, product development, and marketing will also be discussed and recommended. The state level functionaries like Secretary (Industries), Representative of RBI, SLBC convener, Major Banks shall be invited. Such workshops shall be conducted twice a year. Detailed guidelines shall be issued by KVIC for these workshops.

- c) KVIC will be coordinating these workshops and will get the number of workshops approved by the Ministry, in advance.

## 17. Exhibitions

PMEGP exhibitions will be organized by KVIC at National, Zonal, State and District levels and special exhibitions for Northeastern Zone in coordination with other IAs to promote products produced by PMEGP units. KVIC will get the number of exhibitions to

be conducted at various parts of the country, approved by the Ministry in advance. Wide publicity shall be made well in advance before the exhibition schedule. Separate pavilions will be provided for display of products produced by units set up through KVIBs/DICs. Separate logos and nomenclature for rural entrepreneurs and urban entrepreneurs will be worked out by IAs. For example, for rural PMEGP exhibitions, nomenclatures like GRAMEXPO, GRAMUSTAV, GRAM MELA, etc., may be used. KVIC, in coordination with KVIBs, DICs and other IAs will be organizing one district level exhibition (per district), one State level exhibition and one Zonal level exhibition, annually.

#### 18. Participation in International Exhibitions

Participation by PMEGP units is envisaged in International Exhibitions like India International Trade Fair (IITF), etc., for developing their export market. KVIC will organize participation in the international exhibitions in coordination with KVIBs, DICs and other IAs and will seek the list of willing units from all IAs. KVIC will ensure that the units desirous of participating in the fair, set up through KVIBs, DICs and other IAs are considered judiciously on the basis of merit, variety and quality of the products. Pattern of assistance for participating in the international exhibitions shall be as per the guidelines issued by the Government of India.

#### 19. Bankers Review Meetings

PMEGP is a Bank driven scheme, and the final sanction of project and release of loan is done at the level of concerned Bank. It is therefore imperative that KVIC, KVIBs, DICs and other IAs interact regularly with the higher officials of Bankers at District/State/National level to ensure that the bottlenecks in implementation, if any, are resolved, outcomes are effectively achieved, and targets are met. Bankers Review Meeting at following levels shall be organized as below:

- (i) **State Level Bankers Meeting:** This will be organized by State Office and Divisional Office of KVIC jointly with KVIB, DIC, and other concerned IAs. The focus of the meeting will be to inform and educate the Bank officials at LDM level about PMEGP and regularly monitor and review the implementation of the scheme. The meeting will be held on quarterly basis.
- (ii) **Zonal review meeting:** To review and monitor the PMEGP scheme, zonal review will be conducted quarterly by KVIC in 6 zones where representatives of KVIC, KVIB, DIC and other IAs will participate in the review. Concerned Bank officers will also be invited.
- (iii) **Top level Bankers Meeting:** KVIC will organize the top-Level Bankers meeting half yearly (in June and December) so that proper monitoring can be done at the



beginning and towards the end of the Financial Year. CMDs/Senior Executives of nationalized Banks, representatives from Ministry of MSME, State DICs, KVIBs and other IAs will participate in the National level Bankers meeting which will be chaired by CEO, KVIC. All the States/UTs will be invited in two groups and KVIC will ensure that around half of the States/UTs' representatives (of KVIBs, DICs and other IAs) participate in each of these half-yearly review meetings. The meeting will focus on reviewing the targets and will examine the issues related to policy decisions relating to Banks for the implementation of PMEGP.

## **20. Orientation and Training under PMEGP**

The staff and officers of all IAs, Banks and concerned agencies have to be sensitized on the operational modalities of PMEGP which can be imparted in the 'one day training workshops' to be conducted throughout the country at State / District levels by KVIC. IAs may organize such training workshops jointly, wherever feasible, on the basis of guidelines to be issued by KVIC separately, for this purpose.

## **21. TA/DA of Staff and Officers**

The officers of KVIC, KVIBs, DICs and other IAs will carry out relevant field visits and monitoring activities of PMEGP. A provision of up to Rs. 1 crore per year or as may be approved by competent authority is proposed towards TA/DA of staff and officers for monitoring and reviewing PMEGP and administrative expenses like stationery, documentation, contingencies, etc., separate guidelines issued by KVIC incorporating the detailed modalities of certification of the expenditure, laying down the norms for such field visits will be applicable so as to optimally utilize the assistance and ensure economy in expenditure.

## **22. Publicity and promotional activities**

**22.1** PMEGP should be popularized through aggressive publicity campaigns including posters, banners, hoardings, radio jingles, television messages, advertisements in national/local papers, social media and other related activities along with press conferences and events related to PMEGP involving VVIPs and distinguished guests.

### **22.2 Release of advertisement/publicity for PMEGP.**

Advertisement will be issued /published in English, Hindi and local language newspapers. For District level events, quarter page advertisement will be released and for State level events, half a page advertisement will be released.

Keeping in view the significance of publicity and promotional activities required to be undertaken for PMEGP, sufficient amount will be allocated during each financial year. Up to 25 % of such funds may be earmarked by KVIC for other IAs for release of advertisement/ publicity of the Scheme, in accordance with the guidelines framed by KVIC while ensuring maximum coordination and synergy of efforts with KVIBs, DICs and other IAs.

### **23. MIS Package, Application Tracking System, E-Portal and other supporting packages**

**23.1** E-governance is a vital requirement for effective monitoring and reviewing of the scheme. In addition, database of existing REGP beneficiaries as well as PMRY have also to be documented. A separate PMEGP website has been developed by KVIC, including all the relevant linkages with Ministry of MSME, State KVIBs, DICs, other IAs, NIC and Banks, providing all the necessary information.

Based on the information available in the PMEGP website, including

- i. Date of application by the beneficiaries
- ii. Date of forwarding by the IAs
- iii. Sanction of loan applications by the banks
- iv. Release of installments of loans from banks to beneficiaries
- v. Submission of Margin Money claimed by the banks
- vi. Release of Margin Money subsidy by the nodal bank and adjustment of Margin Money after due physical verification, etc.

Necessary provisions shall be further incorporated in the portal to effectively monitor the performance of the scheme and address the shortcomings, if any. These will include, but not limited to -

- i. Time taken by IAs in processing and by Banks in sanctioning the application
- ii. Timely release of loan installment to the beneficiaries after sanction of loan
- iii. Reasons of rejection
- iv. Delay in Margin Money subsidy adjustment in the beneficiary account, etc.

Application tracking system has also been introduced by KVIC in coordination with other IAs for PMEGP beneficiaries. In addition, Rural Industrial Consultancy Services' (RICS) software package for project preparation of KVIC will be extended to all training centers in the country for assisting potential beneficiaries to prepare project under PMEGP. A separate provision is available under Backward and Forward Linkages for the purposes for use by KVIC.



**23.2** KVIC will issue further guidelines in regard to utilization of funds for the purposes outlined in the Backward and Forward Linkages by ensuring proper documentation etc., from KVIBs, DICs and other IAs. Proper account of the expenditure in this regard will be maintained by State/KVIBs/DICs/ other IAs and monitored by KVIC regularly.

**24.**

**24.1 Proposed Estimated Targets under PMEGP**

- (i) An outlay of Rs.13,554.42 Crore has been approved for PMEGP for five Financial Years (2021-22 to 2025-26) to set up about 4 lakh projects with creation of 30 lakh employment @8 persons per unit). In addition, 1,000 Units will be upgraded in each FY.
- (ii) Initially, state offices of KVIC, KVIBs and DIC were implementing the scheme in the ratio of 30:30:40. However, with the advent of PMEGP on-line portal, there is no limit on receiving of applications. Hence, there is no relevance of 30:30:40 ratio. The concept of First In – First Out would be observed in the processing of applications by all the concerned IAs and the ratio of 30:30:40 will be dispensed with.
- (iii) The annual allocation of targets would be issued State-wise to the IAs by the KVIC HQ. The target communicated to KVIC and IAs are indicative and the IAs and Banks can achieve over and above the allocated target.

**24.2 Criteria for distribution of targets under PMEGP**

The following are the broad suggested criteria for distribution of state-wise targets:

- (i) Extent of backwardness of State;
- (ii) Extent of unemployment;
- (iii) Extent of fulfillment of previous years targets
- (iv) Population of State/Union Territory; and
- (v) Availability of traditional skills and raw material.
- (vi) Special focus shall be given to aspirational districts identified by NITI Aayog

**24.3** KVIC will assign targets to State KVIC Directorates/ KVIBs, DICs and other IAs. Target at district levels will be decided by State Level Bankers Coordination Committee. SLBCC will ensure that targets are evenly distributed within each district. The State-wise targets in respect of KVIC/KVIBs/DICs/ other IAs will be made available by KVIC to SLBCC where overall allocation of district-wise targets will be decided. Any modification

of the targets for which KVIC is directly responsible will be permitted only with the concurrence of the Ministry.

For assigning the indicative targets of subsidy and other parameters (number of units, employment opportunities, etc.) to KVIC Directorates/KVIBs/DICs/Other IAs, KVIC will adopt the criteria of rural population of the State, backwardness of the State (based on Aspirational Districts identified by NITI Aayog), urban unemployment level and past performance under PMEGP Scheme for deciding the targets.

## **25. Rehabilitation of Sick Units**

Sick units under PMEGP for their rehabilitation will be linked with RBI's guidelines for rehabilitation of sick small scale industrial units issued to all Scheduled Commercial Banks from time to time.

## **26. Registration**

**(a) Registration** with the KVIC/KVIBs/State DICs under the scheme is voluntary. However, all the PMEGP units should be encouraged to register under Udyam Portal and MSME data Bank. No registration fee will be charged from the beneficiaries and the funds available under Backward and Forward Linkage will be utilized to meet expenses on documentation cost, etc.

Beneficiary will submit quarterly report about production, sales, employment, wages paid etc. to the State/Regional Director of the KVIC/KVIB/State DIC, and other IAs and KVIC will in turn analyze and submit a consolidated report to the Ministry of MSME, every six months.

**(b) Geo-tagging of units:** All the micro enterprises already setup and to be set up under PMEGP will be Geo-tagged, which will facilitate maintaining contact with the units.

## **27. Role of Private Sector (Scheduled, Commercial / Co-operative) Banks in the implementation of PMEGP**

PMEGP will also be implemented through the Private Sector Scheduled Commercial Banks/Co-operative Banks regulated by RBI, after verification of intending Banks' last 3 years' balance sheet and ascertaining quantum of lending portfolio by the KVIC who will map all these Banks on PMEGP Portal. Margin Money (subsidy) portion will be paid on actual reimbursement basis to the Banks by KVIC.

## **28. Monitoring and evaluation of PMEGP**

### **28.1 Role of Ministry of MSME**

Ministry of MSME will be the controlling and monitoring agency for implementation of the scheme. It will allocate target, sanction and release required funds to KVIC.

Quarterly review meeting will be held in the Ministry on the performance of PMEGP.CEO-KVIC, Principal Secretaries / Commissioners (Industries) responsible for implementation of the scheme in States through DICs, Representatives of State KVIBs and Senior officials of Banks will attend the meeting.

### **28.2 Role of KVIC**

- (i) KVIC will be the single Nodal Agency of the scheme at the National level. CEO-KVIC will review the performance with State KVIBs, DICs and other IAs and Banks every month and submit a monthly performance report to the Ministry. The report will include the component wise details of beneficiaries indicating the amount of the Margin Money (subsidy) allotted, employment generated, and the projects set up. KVIC will ensure that the Margin Money (subsidy) is utilized as per the subcomponent plans approved for SC, ST, Women, etc. The targets and achievement will also be monitored at the Zonal, State and District levels by the Deputy CEOs, Directors of KVIC and the Commissioner /Secretary of Industries (DIC), of the States concerned. The existing REGP units will continue to be monitored by the KVIC as hitherto fore, and separate monthly report submitted directly to Ministry of MSME.
- (ii) **Coir Board** through its field offices will monitor the coir units setup under PMEGP. Board will regularly review the performance of such units and sent a monthly report to the KVIC.

### **28.3 Role of State Governments / Union Territories**

The Scheme will be reviewed half yearly by Chief Secretary of the State, Representatives of KVIC, Ministry of MSME, State Director (KVIC), CEO-KVIB, Secretary / Commissioner (Industries) of the State, Senior Officials of the Banks and officials concerned from other IAs will attend the meeting. State Governments{Commissioners / Secretaries (Industries)} will forward their monthly reports to KVIC, specifying the component wise details of beneficiaries indicating the amount of the Margin Money (subsidy) allotted, employment generated, and the projects set up, which will be analyzed, compiled and consolidated by KVIC and a comprehensive report forwarded to Ministry every month. The existing PMRY units will continue to be monitored by the State DICs, as hitherto fore, and report submitted directly to Ministry of MSME.

### **29. Evaluation of the Scheme**

- (i) A comprehensive, independent and rigorous evaluation of the scheme will be undertaken after three years of its implementation in the present Finance Commission cycle. Based on the findings of the evaluation study the scheme would be reviewed for further continuation.

- (ii) **Concurrent monitoring and evaluation:** To further strengthen the system, a system of concurrent monitoring and evaluation (CME) of the PMEGP would be put in place to get simultaneous feedback and to enable corrective action. It would be a two-way process, the nodal officers from the IAs viz. KVIC, KVIB, DIC and other IAs would visit the units every three month and provide necessary handholding and get feedbacks, secondly a third-party agency would constantly evaluate the units through electronic means and provide necessary feedbacks to enable taking corrective actions from time to time.
- (iii) PMU may be setup at Ministry and KVIC HQ to monitor and improve the implementation of PMEGP as per prevailing instructions.

### 30. **Negative List of Activities**

The following list of activities will not be permitted under PMEGP for setting up of micro enterprises/ projects /units:

- (i) Any Industry/ Business connected with Meat(slaughtered), i.e., processing, canning and/or serving items made of it as food, production/Manufacturing or sale of intoxicant items like Beedi/Pan/ Cigar/Cigarette etc., any Hotel or Dhaba or sales outlet serving liquor, preparation/producing tobacco as raw materials, tapping of toddy for sale will not be allowed.
  - a) However, serving/selling non-vegetarian food at Hotels/Dhabas will be allowed.
- (ii) Activities prohibited by Local Government/Authorities keeping in view environment or socio-economic factors will not be allowed.
- (iii) Manufacturing of polythene carry bags of less than 75 microns thickness and manufacture of carry bags or containers made of recycled plastic for storing, carrying, dispensing or packaging of food stuff and any other item which causes environmental problems. Thickness of polythene carry bags shall be governed by the Ministry of Environment, Forest and Climate Change notification for plastic waste management rules and amendments from time to time.
- (iv) Any Industry/Business connected with cultivation of crops/plantation like Tea, Coffee, Rubber etc. sericulture (Cocoon rearing), Horticulture, Floriculture, Animal Husbandry will not be allowed.
  - a) However, value addition under these will be allowed under PMEGP. Off Farm/Farm Linked activities in connection with sericulture, horticulture, floriculture etc. will also be allowed.

Following industries /Business connected with Animal Husbandry will also be allowed:

- a) Dairy – Milk and other dairy products through primarily Cows but also sheep, goats, camels, buffaloes, horses, and donkeys.



- b) Poultry - Poultry, kept for their eggs and for their meat, include chickens, turkeys, geese and ducks.
- c) Aquaculture – It is the farming of aquatic organisms including fish, molluscs, crustaceans and aquatic plants
- d) Insects - including Bees, Sericulture, etc.

**(As a special case piggery, which is a major source of livelihood in NER may also be allowed in NER states only)**

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# **Continuation of Prime Ministers Employment Generation Programme (PMEGP) over the 15<sup>th</sup> Finance Commission Cycle for 5 Years from FY 2021-22 to FY 2025-26**

## **Operational guidelines for implementation of modified PMEGP Scheme**

### **1. The Scheme**

#### **1.1. For setting up of new micro enterprises (Units):**

The Ministry of Micro, Small and Medium Enterprises (MoMSME) vide office memorandum bearing no. PMEGP/Policy/09/2021 dated 13<sup>th</sup> May 2022 has conveyed the approval for continuation of PMEGP Scheme for 5 years from FY 2021-22 to FY 2025-26 with some modifications in the existing scheme. The copy of modified scheme guidelines containing the quantum of assistance, subsidy pattern, eligibility criteria, negative list of activities etc. in detail is enclosed herewith. KVIC shall act as Nodal agency at State level. The State director of the concerned state is authorized to monitor and implement the scheme and activities under BFL besides attending various meetings and workshops.

#### **1.2. For upgradation of existing PMEGP / REGP / MUDRA Units (2<sup>nd</sup> Loan)**

- i. An additional component namely Expanding/Upgrading the existing unit set up under PMEGP/REGP/MUDRA has been added, wherein the units already setup under PMEGP/REGP/MUDRA and performing very well in terms of turnover, profit making and loan repayment will be eligible for availing further financial assistance of up to Rs.1.00 crore for Manufacturing units, through Banks with uniform subsidy of 15-20% by the Government for all specified categories in clause 3.2 (ii). For Service/Trading units the financial assistance would be up to Rs.25 lakhs only
- ii. Units would be selected uniformly from all over the country, about 10 from each district based on the population density, industrial development, availability of traditional skill/raw material etc.
- iii. The PMEGP online portal has the simplified application form for submitting application online for existing units for upgradation.
- iv. The District level Agencies (KVIC/KVIB/DIC/other IAs) after the preliminary scrutiny will forward the applications to Financing Banks, which will appraise the project both economically and technically and take the credit decision. The Financing Banks will claim the Margin Money(subsidy) as per the procedure prevalent for PMEGP units. The Margin Money(subsidy) will be kept as TDR/SRF for three years. No interest will be paid on the TDR/SRF and no interest will be charged on loan disbursed to the corresponding amount of TDR/SRF.
- v. TDR/SRFs will be adjusted in the loan account of the beneficiary after completion of 3 years lock in period on the basis of positive report of the physical verification by the third-party Agencies. In case of any dispute, joint verification can be done by the concerned IA with the Financing Bank and third- party Agencies. Margin Money shall be adjusted by the Financing Bank only on the receipt of Margin Money (subsidy) adjustment letter from the concerned IA

#### **Eligibility criteria**

- i. All the existing units assisted under PMEGP scheme by availing 1<sup>st</sup> loan are eligible for applying for 2<sup>nd</sup> loan to upgrade their units.

- ii. All the existing units assisted under REGP, and MUDRA Scheme are also eligible for availing the 2<sup>nd</sup> loan under PMEGP to upgrade their units. All such units are required to submit / upload the Sanction / Margin Money adjustment letter from the concerned financing bank.
- iii. In absence of Sanction / Margin Money adjustment letter, a certificate from financing bank stating that the unit is assisted under REGP / MUDRA scheme.
- iv. The margin money (subsidy) availed under PMEGP / REGP / MUDRA units has to be successfully adjusted on the completion of lock-in period as applicable.
- v. First loan under PMEGP / REGP / MUDRA has to be successfully repaid in stipulated time. Clearance certificate from bank in respect of 1<sup>st</sup> loan is necessary. Working Capital (WC) is a revolving capital in the form of CC limit, and it is in continuous operation to run the activities, the repayment of WC component may be exempted for obtaining the loan clearance certificate.
- vi. The unit is profit making with good turnover and having potential for further growth in terms of turnover and profit.

## **2. Backward & Forward Linkages**

For effective implementation of the scheme and based on the approved modifications in the existing scheme guidelines, operational guidelines for various activities listed under the Backward & Forward Linkages (BFL) have been prepared for implementation of the scheme by the Implementing Agencies (IAs) at field level.

### **2.1. Identification of Beneficiaries**

Identification of beneficiaries shall be done at the district level by the Implementing Agencies (IAs) and Banks through various media to get the benefit of PMEGP Scheme by potential entrepreneurs at periodical intervals depending on the target allotted to the particular district. It will be done through Print, Electronic, outdoor, social media, Awareness Camps etc.

#### **Awareness Camps**

Undertaking awareness Campaigns for sensitization and spreading awareness about the PMEGP scheme to educate potential beneficiaries in rural and urban areas to mobilise the candidates who are unemployed with special focus on Special / Social category in coordination with concerned State / Central level organizations. The awareness camps shall be organized in close coordination with the Implementing Agencies (IAs) and Banks. The potential beneficiaries identified during the Awareness Camps shall be provided handholding support in identification of activities, Formulation of DPR, Documentation, Online application, Co-ordination with the financing banks etc. by the IAs through expert resources / agencies.

#### **Protocols for conducting Awareness Camps under PMEGP**

- i. The awareness camps shall be organized at District / Taluka / Block level besides Universities and Educational Institutions and any other establishment having potential prospective beneficiaries in close coordination with the IAs such as KVIC, KVIB, DIC and COIR Board and Banks
- ii. The IAs shall conduct such Awareness Camps at District level as per the budgetary provisions provided to the respective state offices of KVIC.

- iii. KVIC at the state level shall act as a Nodal agency in the state and shall assign the awareness Camps to other IAs who are willing to conduct such Awareness Camps and provide the funds to them.
- iv. The expenditure incurred towards such camps organized by other IAs of DIC, KVIB and COIR Board shall be settled within 30 days with the respective State/Divisional Office of KVIC

## Target Group

The participants are mainly the Unemployed youths, Students of universities, educational institutions, technical institutions, Skilled and Unskilled artisans comprising of all categories of the Society. Special focus should be explored for the target group such as SC/ST, OBC, Transgender, Women, Ex-Servicemen etc. during the awareness camps

## Invitees for the Awareness Camps

- i. All Implementing Agencies
- ii. Local Bank Officials
- iii. Local NGOs
- iv. Representative of Panchayats
- v. Successful Entrepreneurs
- vi. Representative from NSTFDC, NSCFDC, NBCFDC, Women Organizations, Ex-Servicemen Organizations etc.

## Duration of Camps

4 to 6 hours

## List of mandatory activities to be undertaken in the awareness camps

- i. Publicity through pamphlets, banners, posters, hoardings, and press advertisements in local newspapers or registration through the dedicated mobile application
- ii. Presentation on the PMEGP scheme by State / Agencies (**Standard presentation pattern to be followed shared by Directorate of PMEGP, KVIC, Mumbai**). The IAs must explain about PMEGP scheme, its aims and objectives, contribution of the scheme in terms of Disbursement of MM, Mobilization of Bank Credit pertaining to district. IAs shall present the role of IAs, and their contribution in rural industrialization in the detail, the significant achievement of the Scheme during the presentation, preferably through power point about the details of the Scheme and its operation procedure including process of submission of Online applications and the required documents. IAs shall present the scheme in a Local language and also play the Success stories of the successful entrepreneurs of the concerned district.
- iii. Showcasing success stories of actual PMEGP beneficiaries (**Videos will be shared by Central Office with all the States / Agencies**)
- iv. Guidance for availing loan from banks by the Bank Officials of Lead Bank / Local Financing Bank of the area
- v. Press Conference
- vi. The KVIC/KVIB/DICs officials must introduce a successful entrepreneur in the camp to share his experience with others



- vii. They should open a discussion on locally available raw material-based Industries and on other potential industries in the area
- viii. The officials organizing the awareness camp has to maintain an attendance register and separate register for recording problems raised in the camp and clarification provided by them. These records should be maintained at respective IAs level. On completion of the Awareness Camps details of the Camp should be uploaded on the BFL portal by the respective State / Divisional offices of KVIC.
- ix. Distribution of sanction letters to PMEGP entrepreneurs who have been sanctioned the project by Bank
- x. Collection of data from potential beneficiaries such as profile, skills, background, qualification / experience etc.
- xi. Handholding for submission of online application and uploading documents for prospective beneficiaries

### No of Awareness Camps to be conducted by Districts

Activity	Target
Non-Aspirational District	As per the budget allocation issued to State / Divisional offices of KVIC
Aspirational / Low Performance District	

### Financial Pattern (Awareness Camps)

Sr. No	Particulars	Amount (In Rupees)
1	Printing of publicity materials on PMEGP	7500.00
2	Local Advertisement	7500.00
3	Conveyance	1500.00
4	Tea/Snacks	4500.00
5	Contingency/Stationery	1500.00
6	Hiring hall/ Sound System	6750.00
7	Hiring of Laptop and Projector for Presentation	750.00
	<b>TOTAL</b> (Inclusive of taxes)	<b>30,000.00</b>
<b>(Note: - Interchanges of Expenditure from one head to another is permitted within overall allocation)</b>		

## 2.2. Entrepreneurship Development Programme (EDP) Training

The applicants who have already undergone training of at least 10 days (for offline mode) / 60 Hours (for online mode) under EDP / Skill Development Programme (SDP) / Entrepreneurship cum Skill Development Programme (ESDP) or Vocational Training (VT) need not undergo EDP training again.

EDP training is a mandatory training to be undergone by beneficiary to be eligible for sanction and release of loan to the beneficiary. The objective of EDP is to sensitize the beneficiaries regarding various managerial and operational functions such as finance, production, marketing, enterprise management, banking functions, book-keeping, taxation, insurance etc. However, EDP training is optional for project cost up to Rs. 2 Lakhs.

The beneficiaries have an option to select the mode of training i.e., Online and Offline as follows,

**Offline EDP:** The offline EDP training is conducted through training centres of KVIC, KVIB, DIC, MSMEDI, NSIC, Tool rooms of MSME, IDEMI, RSETI/RUDSETI and other training centres of Central / State Government. All such training centres recognized at State / District level are mapped on the PMEGP Online portal to facilitate the beneficiaries to select the training centres at their convenience. In case, any training centre intended to be mapped additionally on the online portal, the implementing agencies should submit their recommendations through the respective State Offices of KVIC to Central Office, KVIC Mumbai to be included on the portal.

**Online EDP:** The online EDP module registration can be done by beneficiaries by visiting [www.udyami.org.in](http://www.udyami.org.in). The registration can be done by using the mobile number registered in PMEGP e-portal. Upon, completion of the training a certificate and letter of appreciation will be generated on the portal. Besides, online EDP, the beneficiary can download the project reports, Industrial documentaries, Expert episodes, Guidance for statutory registration and various grants, Incentives, Etc.

### **Procedure for opting the Offline / Online training**

- i. At the time of submission of application on PMEGP portal, the applicant will select the mode of EDP training
- ii. Post selecting the mode of training, the applicant can opt for either pre-sanction EDP or post-sanction EDP and subsequently select the nearby training centre of his / her choice
- iii. The prospective beneficiaries whose loan is yet to be sanctioned by the bank can undergo EDP training on their own cost and need not undergo the training again after the sanction of loan by the bank.
- iv. The beneficiaries who have already registered and those undergoing EDP cannot change the mode of training
- v. The applicant details who opted for pre & post sanction EDP will be available under log-in of training centres, state offices, banks, and central office
- vi. The Nodal Officer, PMEGP is responsible for monitoring the EDP training programme conducted through Offline and Online through MIS available on their login to minimize the pending EDP training
- vii. The Payment to the training centres / Agency towards Offline / online mode of training should be made only after uploading the training certificate and due validation on the PMEGP portal
- viii. For Online EDP training, the agency shall upload the invoice along with list of beneficiaries who have completed the training and generated the certificate online, the State / Divisional offices shall release the payment under their jurisdiction in respect of all the beneficiaries sponsored by all IAs.

### **EDP Training Duration**

- i. **Offline** - EDP training duration should be at least 5 days for projects with project cost up to Rs. 5 Lakhs and 10 days EDP training for project cost above 5 Lakhs.
- ii. **Online** - EDP training duration should be at least 30 Hours for projects with project cost up to Rs. 5 Lakhs and 60 Hours EDP training for project cost above 5 Lakhs.
- iii. EDP training is optional for project cost up to Rs. 2 Lakhs.

## Batch Size

- i. The batch size for offline / virtual training should be at least 10 beneficiaries and maximum up to 50 beneficiaries.
- ii. There is no batch size for online training.

## Financial Pattern (Offline EDP)

To simplify the EDP process, an average cost is taken which works to be Rs. 550/- per candidate per day as shown below. KVIC shall pay an amount of Rs.550/- (Rupees Five Hundred and Fifty Only) per candidate per day for 10 days training programme. The amount to be claimed by the training centres will be arrived at based on the number of training days and actual number of candidates trained. The details of permitted total expenditure per candidate for 5 days / 10 days training is as shown below,

(Amt in Rupees)

Sr. No.	Head of Expenditure	Amount for 5 days / Candidate	Amount for 10 days / Candidate
1	Lodging of participants	800	1600
2	Boarding	1150	2300
3	Guest Facility	650	1300
4	Study Material	250	500
5	Stationary / Printing etc.	150	300
6	Misc. Expenditure	100	200
7	Incentive to Institute	150	300
<b>Total (inclusive of taxes)</b>		<b>3250</b>	<b>6500</b>
<b>(Note: - Interchanges of Expenditure from one head to another is permitted within overall allocation)</b>			

## Financial Pattern (Online EDP)

The fees for Online EDP will be as follows as per the agreement between KVIC, Central Office and the training agency.

Sr. No.	Particulars	Basic Rate	Tax	Total Rate (In Rupees)
1	30 Hours Training Duration for Project Cost upto Rs. 5 Lakhs	1500	270	<b>1770</b>
2	60 Hours Training Duration for Project Cost more than Rs. 5 Lakhs	3000	540	<b>3540</b>

**Note: The above rates are as per the agreement executed between KVIC and the agency which may be revised from time to time based on the contract terms.**

## Peripatetic Training (PPT)

In some areas, the beneficiaries may be unable to locate a training centre nearby. Whereas significant number of trainees might have registered for the training. In such case, Peripatetic training can be conducted only through departmental training centres of KVIC. For such training, the financial pattern shall be at par with the Offline EDP training.




## Virtual Classroom

Virtual classroom training can also be imparted through departmental training centres of KVIC with prior approval from the Central Office, KVIC. Boarding & Lodging cannot be charged in such cases. A lumpsum fees at the rate 50% of offline training shall be paid per beneficiary trained in this mode.

## EDP Certificate

The EDP training certificate as per the format below will be jointly signed by the Principal, Training Centre and State / Divisional Director (KVIC) or their authorized officials preferably the PMEGP Nodal Officer.

The certificate for the online training programme shall be generated online and integrated with the PMEGP online portal.

	 सूक्ष्म, लघु और मध्यम उद्यम संस्थान, भारत सरकार, Ministry of Micro, Small & Medium Enterprises, Government of India.	 KVIC KHAND AND VILLAGE INDUSTRIES COMMISSION
Institute ID No: _____	<b>प्रशिक्षण संस्थान का नाम</b> <b>NAME OF TRAINING INSTITUTE</b> (Address of Institute)	
<b>उम्मीदवार का विवरण / Particulars of the candidate:</b>		
1. पंजीकरण सं./ Registration No : _____		
2. PMEGP अनुप्रयोग सं./ PMEGP Application ID No : _____		
3. आधार सं / AADHAAR No : _____		
<b>प्रमाणपत्र</b> <b>CERTIFICATE</b>		
यह प्रमाणित किया जाता है कि श्री / श्रीमती / कुमारी ..... सुपुत्र/ पत्नि/ सपुत्रि/ श्रीमती..... This is to certify that Shri/Smt/Kum..... S/o, / W/o, / D/o. Shri..... पूरा पता..... Full Address.....		
जिला ..... राज्य..... के निवासी को 'प्रधानमंत्री रोजगार सृजन कार्यक्रम' के अंतर्गत उद्यमिता विकास कार्यक्रम (ई डी पी) पर दिनांक..... से..... तक (10 दिन) इस संस्थान में रोज संख्या ..... में प्रशिक्षण दिया गया।		
Block..... District..... State..... has been imparted training on "Entrepreneurship Development Programme (EDP)" under PMEGP from ..... to ..... 5/10 Days) in this Institute in Batch No.....		
हम आपके भविष्य के प्रयासों के लिए शुभकामनाएं देते हैं। /We wish you good luck for your future endeavours.		
प्रशिक्षण संस्थान के प्रमुख/ Head of Training Institute	राज्य निदेशक अथवा प्रतिनिधि/ State Director or representative	
दिनांक /Date: _____	छा. वा. आ /KVIC..... राज्य /State	दिनांक /Date: _____

**Note: The above enclosed format is applicable for 10 days EDP training. Similar format to be used by states in case of 5 days EDP training.s**

The format of the certificate can also be downloaded by the respective training centres under their login on the PMEGP portal.

## 2.3. State Level Workshop

The state level workshop shall be organized by the State Directors of KVIC. During the workshop, all stakeholders implementing the PMEGP Scheme in the State and other functionaries like Secretary (Industries), CEO State KVIB, SLBC Convener, representative of RBI, Major Banks, GMs of DICs, All Nodal Officers / District Coordinators of IAs and Successful entrepreneurs shall be invited to attend the workshop. The workshop shall primarily focus on the following line of agenda,

- i. To sensitize on the changes, updations amended in the scheme from time to time
- ii. To review and discuss the performance of the scheme in the state
- iii. To analyse the district level performance and suggest the corrective actions for improving the performance in low performing districts
- iv. To analyse the rejections of applications by the banks and suggest the line of action for improvement with case studies
- v. Issues and challenges in implementation of the scheme and activities listed under BFL and suggest the remedial measures
- vi. Possibility of extending supports in terms of marketing, packaging, technology upgradation and capacity building will be discussed and recommended
- vii. Experience sharing sessions of successful entrepreneurs
- viii. The issues faced by struggling units / entrepreneurs will be heard and suggestions
- ix. Possible convergence support from the State Government
- x. Any other issues prevailing in the state related to the scheme

## Duration of the Workshop

4 to 6 hours.

## Financial Pattern (State Level Workshops)

Sr. No	Particulars	Amount (In Rupees)
1	Hiring Hall, Chairs etc.	75000.00
2	Hiring of Sound System	12500.00
3	Printing and Stationery	62500.00
4	Tea/Snacks	12500.00
5	Banners/Displays	12500.00
6	Misc. Expenditure	2500.00
7	Conveyance	10000.00
8	Local Advertisement	62500.00
	<b>TOTAL</b> (inclusive of taxes)	<b>2,50,000.00</b>
<b>(Note: - Interchanges of Expenditure from one head to another is permitted within overall allocation)</b>		

## 2.4. Review Meetings

PMEGP scheme is a bank driven scheme, and the final sanction of the project and release of the loan is done at the level of the concerned bank. Considering this it is imperative that the Implementing Agencies (IAs) regularly interact with higher officials of Banks at District / State / National level to address the bottlenecks hindering the implementation of the scheme. Therefore, bankers review meeting at following levels shall be organized as below,

- i. State Level Bankers Meeting (SLBM) / Quarterly Bankers Review Meeting (QBRM)
- ii. Zonal Review Meeting (ZRM)
- iii. State Level Monitoring Committee (SLMC)

## List of mandatory activities to be undertaken during Bankers Meetings

### a. State Level Bankers Meeting (SLBM) / Quarterly Bankers Review Meeting (QBRM)

- The SLBM will be organized by State Office and Divisional Office of KVIC jointly with involvement of IAs
- The main objective of the meeting will be to inform and educate the bank officials at LDM level about PMEGP scheme
- Regularly monitor and review the implementation of the scheme

### Financial Pattern - State Level Bankers Meeting (SLBM) / Quarterly Bank Review Meeting (QBRM)

Sr. No	Particulars	Amount (In Rupees)
1	Hiring Hall	15000.00
2	Hiring of Sound System	2500.00
3	Hiring of Laptop and Projector for Presentation	1500.00
4	Tea/Snacks/lunch	20000.00
5	Contingency/Stationery	2000.00
6	Conveyance	2000.00
7	Banners/Displays	7000.00
	<b>TOTAL</b> (Inclusive of taxes)	<b>50,000.00</b>
<b>(Note: - Interchanges of Expenditure from one head to another is permitted within overall allocation)</b>		

### b. Zonal Review Meeting (ZRM)

- The ZRM will be conducted to review and monitor the PMEGP scheme performance of all the 6 zones
- All the Implementing Agencies (IAs) will participate in the review meeting
- Concerned bank officials from respective zones will also be invited for the meeting

### Financial Pattern – Zonal Review Meeting (ZRM)

Sr. No	Particulars	Amount (In Rupees)
1	Hiring Hall, Chairs etc.	65000.00
2	Hiring of Sound System	15000.00
3	Hiring of Laptop and Projector for Presentation	5000.00
4	Tea/Snacks/lunch	50000.00
5	Contingency/Stationery	30000.00
6	Conveyance	25000.00
7	Banners/Displays	10000.00
	<b>TOTAL</b> (Inclusive of taxes)	<b>2,00,000.00</b>
<b>(Note: - Interchanges of Expenditure from one head to another is permitted within overall allocation)</b>		

### c. State Level Monitoring Committee (SLMC)

- To review the performance/ achievement made in implementation of PMEGP by KVIC/ KVIB/ DIC separately in the quarter. The review should focus on total achievement in relation to target, imbalance, if any in social category wise, industry wise and Area wise and action taken from wider publicity of the scheme
- Suggest ways for improving performance and to correct the imbalance if any
- The committee should ensure that the performance of PMEGP is regularly reviewed in the district Consultative Committee (DCC)/ District Level Review Committee (DLRC) headed by District Collector/ District Magistrates by including it as permanent agenda point
- Reviewed the reporting system made by KVIC, KVIB, and DICs
- To review the sanction made by the bank in relation to the recommendation made by District Task Forces
- Imparting of EDP training to selected beneficiaries

### Functions and Members (SLMC)

Department	Designation
Principal Secretary/IDC, Dept. of Industries	Chairman
Director of Industries	Member
CEO, KVIB	Member
Rep. of major public sector Banks in the State	5 Member
Rep. of SC/ST Corporation	Member
Rep. of Dept. Panchayat Raj	Member
Rep. of State Women Dev. Corp.	Member
Divisional Directors of KVIC in State	Member
Rep. of SIDBI	Special Invitee
Rep. of NABARD	Special Invitee
State Director, KVIC	Member Convener

### Financial Pattern - State Level Monitoring Committee (SLMC)

Sr. No	Particulars	Amount (In Rupees)
1	Hiring Hall	15000.00
2	Hiring of Sound System	2500.00
3	Hiring of Laptop and Projector for Presentation	1500.00
4	Tea/Snacks/lunch	20000.00
5	Contingency/Stationery	2000.00
6	Conveyance	2000.00
7	Banners/Displays	7000.00
	<b>TOTAL</b> (Inclusive of taxes)	<b>50,000.00</b>
<b>(Note: - Interchanges of Expenditure from one head to another is permitted within overall allocation)</b>		

## 2.5. Exhibitions

PMEGP exhibitions will be organized by KVIC at Zonal & State levels and special exhibitions for North-eastern Zone in coordination with other IAs to promote products produced by PMEGP units. Wide publicity shall be made well in advance before the exhibition schedule. Separate pavilions will be provided for display of products produced by units set up through KVIBs / DICs.

During the exhibition Buyer Seller meet should also be organized within the overall budget.

### Financial Pattern (Exhibitions)

#### A) State Level Exhibition: (Minimum 07 days and 40 units / beneficiaries)

Sr. No	Head of Expenditure	Amount (In Rupees)
1	Hiring of Halls including Stalls (including Chairs Tables & Display Arrangement etc.)	12,00,000
2	Advertisement in local Media, Newspaper at the at the time of Exhibition	3,00,000
3	Misc. Expenditure	2,00,000
4	Logistics & Accommodation of Participants	3,00,000
	<b>TOTAL</b> (inclusive of taxes)	<b>20,00,000</b>
<b>(Note: - Interchanges of Expenditure from one head to another is permitted within overall allocation)</b>		

#### B) Zonal Level Exhibition (10 days and 75 units / beneficiaries)

Sr. No.	Head of Expenditure	Amount (In Rupees)
1	Hiring of Halls including Stalls (including Chairs Tables & Display Arrangement etc.)	24,00,000
2	Advertisement in local Media, Newspaper at the at the time of Exhibition	6,00,000
3	Misc. Expenditure	4,00,000
4	Logistics & Accommodation of Participants	6,00,000
	<b>TOTAL</b> (inclusive of taxes)	<b>40,00,000</b>
<b>(Note: - Interchanges of Expenditure from one head to another is permitted within overall allocation)</b>		



## C) National Level / Special Exhibitions

National level and special exhibitions shall be organized as per the existing financial patterns of Directorate of Marketing based on the demand from field offices. Participation of IITF shall also be considered as a part of National / Special exhibitions.

### 2.6. Physical Verification

As per the scheme guidelines, 100% physical verification is mandatory for all the unit's setup under PMEGP. The PV process facilitates in adjustment of MM subsidy extended to PMEGP units within the prescribed lock in period as per the existing scheme guidelines.

The state directors of KVIC are responsible for conducting and completing the PV process in respect of the units assisted under PMEGP scheme till 30<sup>th</sup> June 2016. Most of the State directors have already conducted and completed the PV Process and submitted the report to the KVIC Mumbai. However, there is some backlog to the extent of about 30,000 – 40,000 units which are to be verified to complete the pending PV of the units assisted till 30<sup>th</sup> June 2016. The state directors are also responsible to evaluate the PV report and action for calling back the Margin money from respective financing banks based on the findings of the PV report engaged by the respective state directors for this purpose.

KVIC, Mumbai has engaged a third-party agency to carry out the PV process with geo-tagging of PMEGP units through exclusive mobile application for the units assisted from 1<sup>st</sup> July 2016. The details of PV process by geo-tagging through mobile application is as under,

#### ***\*This PV process is applicable for 1<sup>st</sup> loan as well as 2<sup>nd</sup> loan***

- The data available on PMEGP portal is integrated with the exclusive mobile application to carry out the PV of the units by the third-party agency
- The agency selected for the purpose shall assign the units for PV to the enumerators. The list of those enumerators with their details including their identity shall be made available under the respective logins of IAs and Banks.
- The State Directors of KVIC shall convene a meeting with the third-party agency with their team of enumerators to discuss the Action Plan to execute the verification process.
- The enumerators of the agency shall visit the respective financing banks to collect the information in prescribed format before they proceed to the PMEGP units for verification. Directorate of PMEGP, KVIC is also in the process of collecting information from the financing banks by developing a suitable module through online format shortly.
- The enumerators engaged by the agency shall pre-schedule their visits to the respective units based on the action plan finalized by the respective state director of KVIC in consultation with the agency.
- The enumerators shall visit the units and capture all requisite information as per the electronic format available on the mobile application and upload the complete information on the geo-portal. The photos of the unit, product, production process, signboard with the beneficiary and a short video will also be geo-tagged by the enumerator.
- The beneficiary shall receive an OTP on the registered mobile number which has to be shared with the enumerator to validate the verification.
- The PV report shall be available under the DCO login for further validation and approval process by the respective implementing agencies.
- The DCO shall validate individual PV reports of the units and give his recommendation to the approving authority on any one of the following options available based on his findings,
  - Recommend for full MM Adjustment.

- Recommend for full MM Call-back / Refund.
- Recommend for partial MM Adjustment and refund the balance amount.
- Recommend for re-verification of unit.

The DCO can also carryout minor corrections if any without referring to the agency.

- The approver at second level either can approve or return back to the DCO with his remarks for appropriate action.
- On approving the PV report, the adjustment letter of MM Subsidy can be generated and downloaded. The downloaded adjustment letter should be uploaded on the portal duly signed with office seal of authorized officer of respective IA.
- The uploaded adjustment letter shall be available under the respective user credentials of financing bank and the beneficiary for their reference and record.
- The financing bank shall take appropriate action based on the adjustment letter as per the following,
  - Adjust full Margin Money in the loan account of the beneficiary
  - Adjust partial Margin Money and refund the unadjusted amount to KVIC account through e-challan system
  - Refund entire Margin Money amount to KVIC through e-challan system.

The financing bank will only adjust the MM subsidy on receipt of the adjustment letter from the concerned IA. The financing bank is not authorized to adjust the MM before the mandatory lock-in of 3 years as well as without adjustment letter from the concerned IA

The lock-in period of 3 years shall be considered from the date of release of 1<sup>st</sup> instalment by the financing banks.

- The approving authority can also return the PV report to the agency for re-verification recording proper reason / justification in the remark's column. However, for the purpose of re-verification, the concerned DCO of the respective IA shall accompany with the enumerator of the agency by scheduling the visit in advance for smooth re-verification and to avoid conflict of opinion.
- The re-verification process can only be conducted in Offline mode as the unit is already geo-tagged. The DCO can edit the data under their login based on re-verification report. The re-verification report countersigned by enumerator and beneficiary can be uploaded by the DCO under their login for proof.

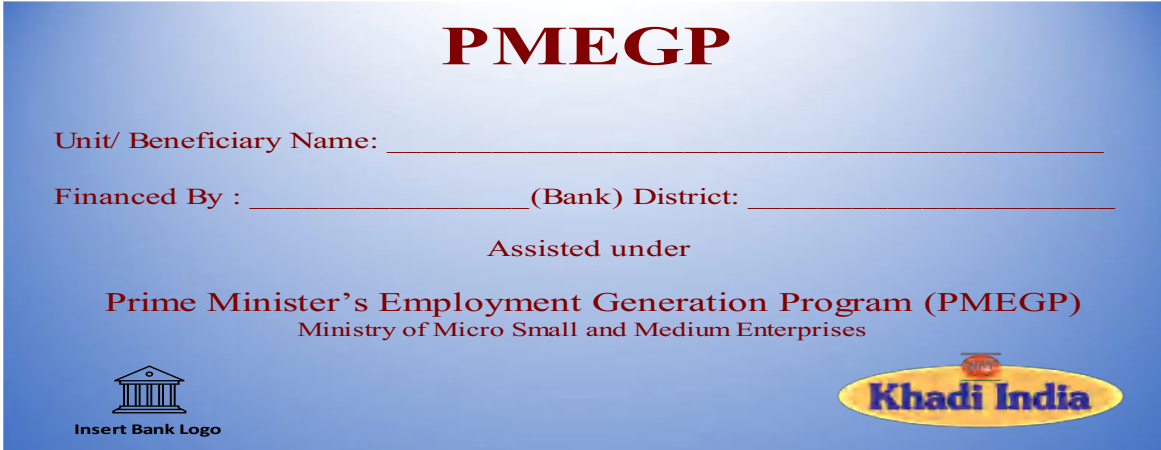
## **2.7. ORIENTATION TRAINING WORKSHOP FOR STAFF OF KVIC/KVIB/DIC/COIR BOARD/BANKS ON ONLINE PMEGP/KVIC SYSTEM**

The scheme guidelines provide the facility to conduct Orientation Training Programme for the officials of IAs and Banks to sensitize and create capability among them in implementation of scheme in the field as well as to address the operational issues and challenges of the online portal and other digital processes involved in the scheme. The State Directors of KVIC shall identify the training requirements in their state and send the demand for organizing such training to Directorate of PMEGP, KVIC Mumbai for approval and extend necessary budgetary support. To conduct such orientation programme the following budget provision is made available under the scheme. The programme should be conducted at least for a period of 4 hours with the total budgetary provision of Rs. 1 Lakh. The State director shall submit the head-wise proposal for approval and sanction.

## 2.8. Sign Board of the Unit

As per the scheme guidelines, clause 11.26, Display of Sign Board of the unit has been made mandatory. The IAs and Banks must ensure the display of sign board at the main entrance of the unit. The sign board to be installed by the units must be in bilingual language.

For the display board the following standard format should be adopted,



The minimum size for the sign board should be 4 feet \* 2.5 feet with the background colour of the board should be light blue. The creative design of the signboard is made available on PMEGP online portal which can be downloaded for making the sign board.

Photograph of the sign board is to be mandatorily uploaded while claiming the Margin Money.

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