

## 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) by merging the two schemes that were in operation till 31.03.2008 namely Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) for generation of employment opportunities through establishment of micro enterprises in rural as well as urban areas. *PMEGP was in operation during XI and XII Plan and has been approved for continuation beyond XII plan for three FY from 2017-18 to 2019-20.* PMEGP is a central sector scheme being administered by the Ministry of Micro, Small and Medium Enterprises (MoMSME). 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 KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and banks. The Government subsidy under the scheme is routed by KVIC through the identified Banks for eventual distribution to the beneficiaries/entrepreneurs in their Bank accounts. The Implementing Agencies, namely KVIC, KVIBs and DICs will associate reputed autonomous institutions in the field of Entrepreneurship development in GoI and State Govt/Self Help Groups (SHGs)/ National Small Industries Corporation (NSIC)/Udyami Mitras empanelled under Rajiv Gandhi Udyami Mitra Yojana (RGUMY), *RSETIs/RUDSETIs*, Panchayati Raj institutions and other relevant bodies in the implementation of the Scheme, especially in the area of identification of beneficiaries, of 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 artisans and contribute to increase in the growth rate of rural and urban employment.

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### 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 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 for upgradation of existing PMEGP units.

##### II **Backward and Forward Linkages**

5% of the total allocation under BE for a Financial Year against the PMEGP shall be earmarked as funds under Backward and Forward Linkages and will be utilized for arranging awareness camps, exhibitions, bankers meeting, TA/DA, publicity, EDP, Physical verification, concurrent evaluation, etc. and settlement of other residual liabilities by the KVIC.

#### 3.2 Levels of funding 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 (including SC / ST / OBC /Minorities/Women, Ex-servicemen, Physically handicapped, NER, Hill and Border areas etc.	05%	25%	35%

Note:

- (1) The maximum cost of the project/unit admissible under manufacturing sector is Rs. 25 lakh.
- (2) The maximum cost of the project/unit admissible under business/service sector is Rs. 10 lakh.
- (3) The balance amount of the total project cost will be provided by Banks as term loan

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

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

Note:

- (1) *The maximum cost of the project/unit admissible 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 balance amount of the total project cost will be provided by Banks as term loan*
- (3) *The maximum cost of the project/unit admissible under business/service sector for upgradation is Rs. 25 lakh.*

#### **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) Self Help Groups (including those belonging to BPL provided that they have not availed subsidy under any other Scheme) are also eligible for assistance under PMEGP.
- (vi) Institutions registered under Societies Registration Act, 1860;
- (vii) Production Co-operative Societies, and
- (viii) Charitable Trusts.
- (ix) 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. Projects costing more than Rs.5 lakh, which do not require working capital, need clearance from the Regional Office or Controller of the Bank's Branch and the claims are required to be submitted with such certified copy of approval from Regional Office or Controller, as the case may be.
- (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 micro enterprises, 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 refers)*

**(iv) Trading activities**

- (a) Business / trading activities in the form of sales outlets may be permitted in *NER, LWE-affected districts and A & N Islands*.
- (b) Retail outlets/business - selling Khadi products, Village Industry products procured from Khadi and Village Industry Institutions certified by KVIC and products manufactured by PMEGP/SFURTI units only may be permitted under PMEGP across the country.
- (c) Retail outlets backed by manufacturing (including processing) / service facilities may be permitted (across the country).
- (d) The maximum cost of the project for business / trading activities as above [(a) and (b)] may be Rs.10 lakh (at par with the maximum project cost for service sector).
- (e) 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/Motor Boat/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 will be imposed 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) The Institutions/Production Co-operative Societies/Trusts specifically registered as such and SC/ ST/ OBC/ Women/ Physically Handicapped / Ex-Servicemen and Minority Institutions with necessary provisions in the bye-laws to that effect are eligible for Margin Money (subsidy) for the special categories. However, for Institutions/Production Cooperative Societies/Trusts not registered as belonging to special categories, will be eligible for Margin Money (Subsidy) for general category.
- (2) 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/MUDRA units:**

- (i) Margin Money claimed under PMEGP has been successfully adjusted,
- (ii) First loan under PMEGP/MUDRA has been successfully repaid in stipulated time.
- (iii) The unit is profit making with good turnover and having potential for growth in turnover and profit with modernization/upgrading the technology.

## 5. Implementing Agencies

**5.1** 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) and District Industries Centres in rural areas. In urban areas, the Scheme will be implemented by the State District Industries Centres (DICs) only. KVIC will coordinate with State KVIBs/State DICs and monitor performance in rural and urban areas. KVIC and DICs will also involve NSIC, Udyami Mitras empanelled under Rajiv Gandhi Udyami Mitra Yojana (RGUMY), RSETIs/RUDESETIs, ITI and other similar institutions Panchayati Raj Institutions and other NGOs of repute in identification of beneficiaries under PMEGP.

Coir Board, will be involved in identifying the Coir Units for their setting up under PMEGP, their handholding and mentoring.

## 5.2 Other Agencies

The details of other agencies to be associated by nodal agencies in the implementation of PMEGP are as under:

- i) Field Offices of KVIC and its State offices
- ii) State KVI Boards
- iii) District Industries Centre (DIC) of all State Governments/Union Territories Administrations reporting to respective Commissioners /Secretaries (Industries).
- iv) Coir Board
- v) Banks/Financial Institutions.
- vi) KVI Federation
- vii) Department of Women and Child Development (DWCD), Nehru Yuva Kendra Sangathan (NYKS), The Army Wives Welfare Association of India (AWWA) and Panchayati Raj Institutions
- viii) 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 Agency for any of its programmes in the preceding 3 years period.
- ix) 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.

- x) 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.
- xi) Departmental and Non-Departmental Training Centres of KVIC / KVIBs.
- xii) 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.
- xiii) National Small Industries Corporation's (NSIC) offices, Technical Centres, Training Centres, Incubators and Training cum Incubation Centres (TICs) set up in PPP Mode.
- xiv) 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).
- xv) Udyami Mitras empanelled under Rajiv Gandhi Udyami Mitra Yojana of Ministry of MSME.
- xvi) PMEGP Federation, whenever formed.
- xvii) *RSETIs/RUDSETIs,*

## 6. Financial Institutions

- (i) 27 Public Sector Banks.
- (ii) All Regional Rural Banks.
- (iii) Co-operative Banks approved by State Level Task Force Committee headed by Principal Secretary (Industries)/Commissioner (Industries)
- (iv) Private Sector Scheduled Commercial Banks approved by State Level Task Force Committee headed by Principal Secretary (Industries)/Commissioner (Industries).
- (v) 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 viz.** KVIC/State KVIB and State DICs and Banks **etc..** 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 2 weeks 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. Such applicants would also be given priority in selection.

Priority will also 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 (53 of 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.

IBA in consultation with KVIC had devised a scoring model (score card), which is being used by Member Banks for PMEGP cases. This scoring model shall also be **uploaded on the PMEGP-e-portal so as to be made available to the implementing agencies and applicants** for evaluating the applications received/submitted. This scoring model will form the basis for the selection of beneficiaries to be sponsored to the Banks. This scoring model will also be 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/institution and 95% in case of special category of the beneficiary/institution, 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. 25 lakh, which include 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 manufacturing units, the project cost may include maximum capital expenditure upto Rs.25 lakh. In such cases, the working capital over and above Rs.25 lakh will not be covered under subsidy. This is in line with the definition of Micro units under MSMEs Development Act, 2006. A Bill for amending the definition of MSMEs is before the Parliament. The guidelines of PMEGP will be changed in accordance with the amended provisions in the definition of MSMEs in the Act as and when approved by the Parliament.

**8.4** Though Banks will claim Margin Money (subsidy) on the basis of projections of Capital Expenditure in the project report and sanction thereof, Margin Money (subsidy) on the actual availment of Capital Expenditure only will be retained and excess, if any, will be refunded to KVIC, immediately after the project is ready for commencement of production.

**8.5** Working Capital component should be utilized in such a way that at one point of stage it touches 100% limit of Cash Credit within three years of lock in period of Margin Money and not less than 75% utilization of the sanctioned limit. If it does not touch

aforesaid limit, proportionate amount of the Margin Money (subsidy) is to be recovered by the Bank/Financial Institution and refunded to the KVIC at the end of the third year.

#### **8.6 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. It has been observed that banks have been routinely insisting on credit guarantee coverage irrespective of the merits of the proposal. This approach needs to be discouraged.

RBI will issue necessary guidelines to the Banks to accord priority in sanctioning projects under PMEGP. RBI will also issue suitable guidelines as to which RRBs and other banks will be excluded from implementing the Scheme.

#### **9. Village Industry**

(i) Any Village Industry including Coir based projects (except those mentioned in the negative list) located in the rural 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. 1 lakh in plain areas and Rs.1.50 lakh in hilly areas.

Note: Per-capita ceiling has been enhanced from Rs.1 lakh to Rs.4.5 lakhs as a special case for activities under PMEGP in respect of A&N Islands and Lakshadweep

(ii) **Coir Udyami Yojana(CUY)** is being implemented by Coir Board on the same pattern as PMEGP. But only coir units are set up under CUY. Under the PMEGP Scheme, coir units are also permissible. Therefore, CUY would be entirely subsumed in PMEGP. A target of 1000 coir units with maximum project cost of Rs.25 lakh with margin money subsidy rate of 15% to 35% as applicable for different categories under PMEGP mentioned in para 3.2(i) above.

Coir Board will assist the KVIC in identifying suitable coir units for providing assistance under PMEGP. KVIC would also provide access of PMEGP-e-portal to Coir Board.

#### **10. Rural Area**

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

(ii) It will also include any area even if classified as town, provided its population does not exceed 20,000 persons.

#### **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 and DICs at periodical intervals depending on the target allotted to that particular district. The scheme will also be advertised /publicized through the Panchayati Raj Institutions which will also assist in identification of beneficiaries.



- 11.2 Online applications will be mandatory and no manual applications will be allowed as PMEGP-e-Portal has been developed and put into operation by KVIC. Applications for new projects under PMEGP will be filled and submitted only through the said PMEGP-e-Portal.
- 11.3 There will be two separate online application forms for individuals and institutional applicants available on the portal.
- 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 be provided with application ID on final submission.
- 11.5 Applicant's Aadhaar number would be preferred and in case applications are being filed by institutions, the authorized person should furnish his Aadhaar number. Aadhaar has been mandatory wherever it is available. In other cases PAN would be asked.
- 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. In case of Institutions self attested copies of the following are also required;
    1. Registration certificate
    2. Authorization letter/copy of bye-laws authorizing Secretary etc. to apply.
    3. Certificate for Special Category, wherever required.
- 11.7 After filing the application and uploading the required documents on the portal, the applicant will click SUBMIT button and the application will be finally submitted. The entire set of documents and application form will be electronically forwarded to the District Representative of KVIC, District Representative of State KVIB and the District Industries Centre of the concerned District.
- 11.8 Within five working days of receipt of application, the nodal officer of KVIC, State KVIB and DIC 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 implementing agencies, after preliminary appraisal of the application will forward the complete/corrected applications directly to one of the financing bank opted by the applicant for taking credit decisions alongwith**

**a copy to the Lead Bank Manager(LDM) for information and monitoring. 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 application by the implementing agencies. Forwarding of applications must be on-line on PMEGP-e-Portal only.**

**11.9** The agencies will appraise the applications on same methodology as followed by Banks for approval of loan. The scoring model (card) devised by the IBA, **as mentioned in Clause 7 above** and being used by Member Banks for PMEGP cases, will also form the basis for the selection of beneficiaries at agency level. Applications which do not score more than 60 marks out of 100 marks will be rejected with reasons and their score card sent to the applicant for rectification in future. Only applicants scoring 60 marks and above will be sponsored to the Banks **by the agencies**. Applications which do not conform to the scheme guidelines or which remain incomplete or irrelevant 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. **Applicant can file grievance against such rejection to the State Director, KVIC.**

**11.10** A Task Force, 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/Principle Secretary (Industries);

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|-----------------------------------------------------------------------------------------------|-------------------|
| a. Dist Magistrate/Deputy Commissioner/Collector                                              | - Chairman        |
| b. PD – DRDA / EO – Zilla Panchayat                                                           | - Vice Chairman   |
| c. Lead Bank Manager                                                                          | - Member          |
| d. Representative of KVIC/KVIB/DIC                                                            | - 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  |

**11.11** There shall be an On-line 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 **agency**, 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 Pr. Secretary(Industry) will be appellants authority for respective cases.

- 11.12 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 upto 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 (projects sponsored by KVIC/ KVIBs/DICs) and
  - v. Negative List (Para 30 of the guidelines)
- 11.13 The Banks will either sanction or reject the loan application within a stipulated period. Sanction will be issued based on the online sanction letter and copies of the sanction order will be sent to the applicant (by e-mail/hard copy) as well as to KVIC/ KVIB/ DIC within 30 days from the receipt of application from the District Agencies. The sanction letter will also be automatically forwarded to the concerned RSETI, or where there is no RESTI the authorized training centre, for conduct 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.
- 11.14 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. EDP will be run on self financing basis by KVIC.
- 11.15 The applicant will deposit his own contribution and copy of EDP training certificate with photo and aadhaar number to the financing bank within 10 working days, of receiving the communication of his sanction of loan. EDP certificate shall also be uploaded by the training institute.
- 11.16 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.
- 11.17 The online claim form will be automatically checked for the fulfillment of two conditions (i) the date of release of first instalment is prior to the date of filing of Margin Money subsidy claim and (ii) the amount of first instalment released is more than the Margin Money subsidy amount claimed. KVIC will validate the subsidy claim and upload on to the Nodal Bank portal within 3 working days.

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- 11.18 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 on line by the financing bank branches.
- 11.19 Once the Margin Money (subsidy) is received in the Bank in favour of the loanee, within 24 hours it should be kept in the Term Deposit Receipt(TDR) of **three years** at branch level in the name of the beneficiary/Institution. **No interest will be paid on the TDR and no interest will be charged on loan disbursed to the corresponding amount of TDR.**
- 11.20 SMS/e-mail alerts to the applicant will be automatically sent by the system at each of the above stages.
- 11.21 In case the Bank's advance goes "bad" before the **three year** period, due to reasons, beyond the control of the beneficiary, the Margin Money (subsidy) will be returned to the KVIC alongwith the interest. In case any recovery is effected subsequently by the Bank from any source whatsoever, such recovery will be utilized by the Bank for liquidating their outstanding dues.
- 11.22 **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.
- 11.23 Projects financed jointly i.e. financed from two different sources (Banks / Financial institutions), are **not** eligible for Margin Money (subsidy) assistance.
- 11.24 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 KVIC /KVIB/State DIC, the beneficiary will refund the Margin Money (subsidy) kept in the TDR or released to him after **three years** period.
- 11.25 Banks / KVIC / KVIBs / DICs have to ensure that each beneficiary prominently displays the following sign-board 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

11.26 PMEGP portal should be enabled to capture the re-payment of loans by the PMEGP beneficiary. Nodal offices of concerned agencies viz. KVIC/KVIB/DIC 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. PMEGP MIS portal should also be able to capture details of such visits by the concerned officer. PMEGP MIS portal should be able to capture details of the physical verification of the unit done by the third party agency as well as disbursements of Margin Money adjustment into the loan account of the beneficiary.

11.27 The portal should have MIS which will ensure that there is no overlap between the loan sanctioned and disbursement through the financial year and enable 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.

**11.28 Subsidy for upgrading of existing units(New provision)**

- a. An additional component namely Expanding/Upgrading the existing unit set up under PMEGP/MUDRA has been added, wherein the units already setup under PMEGP/MUDRA and performing very well in terms of turnover, profit making and loan repayment will be selected for providing further financial assistance of upto Rs.1.00 crore for manufacturing units, through Banks with uniform subsidy of 15% by the government for all categories. For service/trading units the financial assistance would be upto Rs.25 lakhs only.
- b. 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. The selection of existing units for upgradation will be done by the State Level Bankers Committee(SLBC).
- c. KVIC will make relevant provision in the PMEGP-e-Portal alongwith simplified application form for submitting application by the existing units for up-gradation.
- d. The District level Agencies (KVIC/KVIB/DIC) after the preliminary scrutiny will forward the applications to SLBC, which will appraise the project both economically and technically and recommend the project to financing Banks for

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2<sup>nd</sup> loan. The financing banks will claim the margin money subsidy as per the procedure prevalent for PMEGP units. The MM subsidy will be kept as TDR for three years. **No interest will be paid on the TDR and no interest will be charged on loan disbursed to the corresponding amount of TDR.**

- e. TDRs will be adjusted in the loan account after installation of the machinery to be included on the basis of positive report of joint physical verification by the implementing agency and bank.

## 12.1 Budget outlay and targets

An outlay of Rs.5500.00 Crore has been approved for PMEGP for three financial years (2017-18 to 2019-20) to set up 2.5lakh projects with creation of 20 lakh employment @8 persons per project). In addition 1000 Units will be upgraded in each Financial Year.

## 12.2 Estimated year-wise outputs/deliverables.

Name of the Component	Projected Financial Outlay (Rs. Crore)			Parameter	Projected Physical Outcome Numbers in Lakh		
	2017-18	2018-19	2019-20		2017-18	2018-19	2019-20
(a) Subsidy/ Margin Money(MM)	1004.49 (BE)	1905.00	2020.00	i)Number of projects to be set up (in Nos.)	58,500	95,250	1,01,000
	1170.00 (RE)			ii)Employment to be generated (in lakh persons)	4.68	7.62	8.08
(b) Upgradation of existing units	-----	100.00#	100.00#	Number of Units upgraded	1000	1000	1000
(c) Backward and Forward Linkage (B&FL)	20.00 (BE) 25.00 (BE)	80.00	100.00	Awareness Camps, exhibitions, bankers meeting and publicity, EDP, Physical verification, concurrent evaluation etc.			
Total	1195.00	2085.00	2220.00	# Would be revised based on initial performance			
		5500.00					

## 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, bookkeeping, etc. The duration of the

training would be for atleast 5 days for projects with project cost upto Rs.10 lakh and for project with cost above Rs.10 lakh, the duration of EDP would be atleast 10 days. The training will include interaction with successful rural entrepreneur, banks as well as orientation through field visits. The EDP will be conducted 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. EDP will be mandatory for all the PMEGP beneficiaries. However, the beneficiaries who have undergone EDP earlier of duration not less than two weeks through KVIC/KVIB or reputed Govt.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 Implementing Agencies.

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

An amount of Rs. 2500/- to Rs.4000/- per trainee for a period of two to three weeks towards course material, honorarium to guest speakers, lodging, boarding expenses, etc. is admissible under the Scheme. KVIC will reimburse the expenditure to the training centres / institutes chosen for the purpose, in accordance with the procedures to be separately devised by it and circulated to KVIBs and DICs.

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

100% physical verification of the actual establishment and working status of each of the units, set up under PMEGP, including those set up through KVIBs and DICs, will be done by KVIC, through the agencies of State Government and/or, if necessary by outsourcing the work to professional institutes having expertise in this area, following the prescribed procedures as per General Financial Rules (GFR) of Government of India. Banks, DICs and KVIBs will coordinate and assist KVIC in ensuring 100 % physical verification. A suitable Performa will be designed by KVIC for such physical verification of units. Quarterly reports, in the prescribed format will be submitted by KVIC to the Ministry of MSME.

*Physical verification process should start after two years of unit establishment. The State Office may engage two-three agencies to complete the process on time so that margin money adjustment should be done on completion of prescribed period of three years.*

### **15. Awareness Camps**

**15.1** KVIC and State DICs will organize awareness camps, in close coordination with each other and KVIBs, throughout the country to popularize PMEGP and to educate potential beneficiaries in rural, semi 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, Physically challenged, Ex-servicemen, Minorities, Women, etc. and transgenders. The requisite information/details in this regard will be obtained by KVIC/KVIBs/DICs from State level organizations like SC/ST Corporations, AWWA, NYKS, reputed NGOs and Employment exchanges. There will be two camps permissible for a district, one by KVIC in coordination with concerned KVIB and another by DIC. KVIC and DIC should preferably consider organizing these camps jointly for a specific district. A Committee consisting of Lead Bank, KVIC/KVIB/DIC and Principal, Multi Disciplinary Training Centres (MDTC) of KVIC will shortlist the beneficiaries and send them for training as well as Rural Industrial Serves Centes(RICS) for project formulation and to Bank for project sanction. The amount specified can be spent on publicity, arrangement and other necessary expenses for organizing such camps, which will be communicated by KVIC in their guidelines separately.

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

- (i) Publicity through banners, posters, hoardings and press advertisements in local newspapers.
- (ii) Presentation on the scheme by KVIC/KVIB/DIC officials.
- (iii) Presentation by Lead Bank of the area.
- (iv) Presentat on by successful PMEGP/REGP 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. For ascertaining the training (as described in para 13 of the guidelines) a committee consisting of representatives of Lead Bank, KVIC, KVIB, DIC and Principal, MDTC will shortlist the beneficiaries and send them for orientation and training. They will also be sent to RICS and Banks for project formulation and project sanction, respectively.
- 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 including State Bank of India, Central Bank of India, Canara Bank, Allahabad Bank and Union Bank of India. For any further inclusion of projects in the shelf already prepared, KVIBs and DICs 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, KVIBs and DICs, by utilizing the provisions in 'Training and Orientation' under forward and backward linkages.
- (ix) **Marketing Support**
  - (a) Marketing support for the products, produced by the units under PMEGP may be provided through KVIC's Marketing 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.

- (b) 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 like PRODIP, SFURTI, 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 feed back 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.
- (ii) One State level Workshop for KVIC and one for DIC are permissible.
- (iii) KVIC and DIC may consider organizing these Workshops jointly in a specific State
- (iv) One representative of KVIC and DIC will participate in each Workshop.

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

- (i) Presentation of PMEGP Scenario of the State.
- (ii) Presentation of views of Banks on PMEGP by senior officials of lead Bank in the State.
- (iii) Sharing of experience and success stories by PMEGP/REGP entrepreneurs, providing special emphasis to entrepreneurs belonging to special categories.
- (iv) Briefing about support Schemes of KVIC like Product Development, Design Intervention and Packaging (PRODIP), Rural Industrial Service Centres (RISC), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), Micro and Small Enterprises Cluster Development Programme (MSECDP), Credit Linked Capital Subsidy Scheme for Technology Upgradation (CLCSS), Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTSME), etc.
- (v) Briefing about support schemes related to cluster and marketing by NABARD and SIDBI.
- (vi) Utilizing the services of NYKS, MWCD, AWWA for involving the rural youth, weaker sections, women, minorities, ex-servicemen, physically challenged, war widows in PMEGP.

*Adh*

- (vii) Presentation on Domestic and Export Market Potential available, by Marketing experts.
  - (viii) Open house discussion with PMEGP entrepreneurs on implementation issues, constraints encountered, further supports required, etc., and arriving at possible solutions.
  - (ix) Data collection of PMEGP entrepreneurs in the prescribed format.
  - (x) Arranging the exhibition cum sale of PMEGP products.
  - (xi) Formation of PMEGP Federation.
  - (xii) Press conference.
- (c) KVIC will be coordinating these workshops and will get the annual calendar 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 North Eastern Zone in coordination with KVIBs and DICs, to promote products produced by PMEGP units. KVIC will get the annual calendar of exhibitions to be conducted at various parts of the country, approved by the Ministry in advance. 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 KVIC/KVIBs/DICs. For example, for rural PMEGP exhibitions nomenclatures like GRAMEXPO, GRAMUSTAV, GRAM MELA, etc., may be used. KVIC, in coordination with KVIBs and DICs 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 and DICs and will seek the list of willing units from KVIBs and DICs. KVIC will ensure that the units desirous of participating in the fair, set up through KVIBs and DICs are considered judiciously on the basis of merit, variety and quality of the products. A maximum amount of Rs. 20 lakh will be provided to meet expenditure on rental charges for pavilion, fabrication of stalls and towards display, demonstration etc. KVIC may meet the rest of the expenditure out of its regular marketing budget provisions.

## 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 and DICs interact regularly with the higher officials of Bankers at District/ State/National level to ensure that the bottle necks, if any, in implementation, are resolved, outcomes



are effectively achieved and targets are met. Bankers Review Meeting at following levels shall be organized as below:

- (i) **Lead District Managers Meet (LDM):** This will be organized by State Office and Divisional Office of KVIC jointly with KVIB and DIC. 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 and DIC 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 and KVIBs 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 and DICs) 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 KVIC, KVIB, DIC 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 (in coordination with KVIBs) and DICs. 40 such programmes per year will be organized by KVIC and DICs (each). KVIC and DICs 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 and DICs will carry out relevant field visits and monitoring activities of PMEGP. A provision of Rs. 1 crore per year is proposed towards TA/DA of staff and officers for monitoring and reviewing PMEGP, which includes administrative expenses like stationery, documentation, contingencies, etc., and around 40% of this amount can be earmarked for DICs. KVIC will issue separate guidelines incorporating the detailed modalities of certification of the expenditure, laying down the norms for such field visits 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 local papers, press conferences, also involving VVIPs and distinguished guests in major events of PMEGP.

**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 years, 25 % of such funds will be earmarked by KVIC to DICs 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 and DICs.

**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, data base of existing REGP beneficiaries as well as PMRY have also to be documented. A separate PMEGP website will be constructed by KVIC, including all the relevant linkages with Ministry of MSME, State KVIBs, DICs, NIC and Banks, providing all the necessary information. Application tracking system will also be introduced by KVIC in coordination with KVIBs / DICs for PMEGP beneficiaries. In addition Rural Industrial Consultancy Services (RICS)'s 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 forward-backward 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 and DICs. Proper account of the expenditure in this regard will be maintained by State/KVIBs/DICs and monitored by KVIC regularly.

**24.1 Proposed Estimated Targets under PMEGP**

1 An outlay of Rs.5500.00 Crore has been approved for PMEGP for three financial years (2017-18 to 2019-20) to set up 2.5 lakh projects with creation of 20 lakh employment @8 persons per project). In addition 1000 Units will be upgradated in each FY.

2. Presently, state offices of KVIC, KVIBs and DIC are 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 and the ratio of 30:30:40 will be dispensed with.
3. The annual allocation of targets would be issued State-wise to the implementing agencies.

## 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 made on 115 backward districts identified by NITI Aayog.

**24.3** KVIC will assign targets to State KVIC Directorates/ KVIBs and State Governments. 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 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 targets of subsidy and other parameters (number of units, employment opportunities, etc.) to KVIC Directorates / KVIBs, KVIC will adopt the criteria of rural population of the State, backwardness of the State (based on 250 backward districts identified by Planning Commission) and past performance of the State under PMEGP Scheme for deciding the targets as per weightages given below. Similarly, for assigning the targets to DICs, KVIC will adopt the criteria of backwardness of the State (based on 115 backward districts identified by NITI Aayog), urban unemployment level (as reflected in the Planning Commission's report (2002) on 'Special Group on targeting ten million employment opportunities per year' and rural population of the State. The performance of PMEGP during the previous year(s) will also be given appropriate weightage, for deciding the targets. The approximate weightages to be assigned for determining the targets to the implementing agencies are given below.

Criteria	Weight-age for determining targets	
	KVIC/KVIBs	DICs
1. Rural Population of the State	40 %	30 %
2. Backwardness of the State	30 %	40 %
3. Urban Unemployment level	-	30 %

4. Past performance under PMEGP	30 %	-
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## 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 registered under UAM and MSME data bank. No registration fee will be charged from the beneficiaries and the funds available under Forward and Backward 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 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 microenterprises 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

The Scheme will also be implemented through the Private Sector Scheduled Commercial Banks/Co-operative Banks on selective basis, after verification of intending Banks' last 3 years' Balance Sheet and ascertaining quantum of lending portfolio. 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 Implementing Agency of the Scheme at the National level. CEO, KVIC will review the performance with State KVIBs, DICs 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 sub component plans approved for SC, ST, Women, etc. The targets and achievement will also be monitored at the Zonal, State and District levels by the Dy.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.

28.2(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 KVIC, Ministry of MSME, State Director (KVIC) CEO, KVIB, Secretary / Commissioner (Industries) of the State. Senior Officials of the Banks and other officials concerned 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

(a) A comprehensive, independent and rigorous evaluation of the scheme will be got done after two years of its implementation. Based on the findings of the evaluation study the scheme would be reviewed.

(b) **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 implementing agencies viz. KVIC, KVIB and DIC 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.

### 30. Negative List of Activities

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



- a) 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. Serving/selling non-vegetarian food at Hotels/Dhabas will be allowed.
- b) Any industry/business connected with cultivation of crops/plantation like Tea, Coffee, Rubber etc. sericulture (Cocoon rearing), Horticulture, Floriculture. 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.
- c) Any industry/business connected with Animal Husbandry like Pisciculture, Piggery, Poultry, etc
- d) Manufacturing of Polythene carry bags of less than 20 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.

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