

To,

The Chief Executive Officer,
Khadi and Village Industries Commission (KVIC),
Gramodaya, 3 Irla Road,
Vile Parle (West),
Mumbai- 400056

14/5/16
Subject:- Simplification in PMEGP Scheme procedures - Clarification on issues raised during IBA meeting held on 27.05.2016 - reg.

Sir,

I am directed to refer to the record note of discussion held in the bankers review meeting on PMEGP-MIS web-portal at IBA, Mumbai on 27.05.2016 under the chairmanship of Joint Secretary (ARI), Ministry of MSME. Various issues raised during the meeting have been examined in the Ministry. Clarification on certain issues is given below:

A. "The time limit of 48 hours for Nodal officer to interact with applicant personally not practically possible and needs to be revised. It was suggested that a minimum of 7 days should be provided for".

Clarification: Time limit of 48 hr for nodal officer interaction with applicant has been reviewed and increased to 5 working days.

B. "For attending to grievance of applicants the mechanism should also involve CEO, KVIB and Commissioner Industries".

Clarification: Modified guidelines provides that if applicant is not satisfied with the recommendations of the Committee, he can file grievance against such rejection against the GM, DIC or State Director, KVIC of the concerned State, whoever is senior. Ministry has agreed to involve CEO, KVIB and Commissioner Industries. If applicant is not satisfied with the decision of GM, DIC or State Director, KVIC appeal against the decision of GM, DIC/ State Dir., KVIC may be made to CEO, KVIB, Commissioner (Industries) and CEO, KVIC in their respective cases.

C. "DLTFC which has district lead bank manager as a member may check the service area of the bank before forwarding the application of the applicant decided to include this in the defined role of the DLTFC".

Clarification: Ministry has agreed to this. CEO, KVIC is request to issue necessary circular/clarification to state agencies that DLTFC should check the service area of the bank chosen by the applicant before recommending the application to the bank.

D. "In the event the loan goes bad beyond the control of the beneficiary Margin Money subsidy should not be recovered from Banks and interest should be charged to the bank by KVIC/Ministry".- The issue will be examined separately.

E. "Coverage of trading activities under CGTMSE - The issue will be *examined* separately.

F. "Physical verification by outsourced agency has not been very successful and it was recommended that physical verification maybe conducted by a team *consisting* of KVIC, KVIB, DIC and bank. This will also enable proper monitoring of *Scheme* implementation".

Clarification: Scheme guidelines provides that 100% physical verification of *the actual* establishment and working status of each of the units, set up under PMEGP *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. *As* observed in the meeting the proposed team consisting of KVIC, KVIB, DIC *and Banks* would be within the guidelines and the same may be constituted for each district *by* the KVIC for physical verification of units setup in that district. Such team *may also* visit the units regularly and provide necessary handholding to them. *KVIC has* requested to take necessary action in this regard.

G. "Lock in period of Margin Money subsidy should be reduced from 3 *years to 2* years" – The issue has not been agreed to.

2. With respect to other issues raised in the above said meeting, KVIC *may take* necessary action, where ever required, under intimation to the Ministry. *Any further* clarification needed on any issue may be taken up with the Ministry urgently.

Yours faithfully,

(ANIL KUMAR)

Under Secretary to the Government
Telefax: 2220

Copy for information to all State Directors, KVIC, (via e-mails) and requested to intimate the position to all stakeholders/implementing agencies.

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Ministry of MSME Policy 2015-16

Date: 21.12.2015

CIRCULAR

Subject: Simplification in scheme process / procedures
Review of On- Line PMEGP Form reg.

The Ministry of MSME Govt of India has launched a new scheme called Prime Minister Employment Generation Programme' (PMEGP) in the year 2008-09. To empower first generation entrepreneurs for setting up of Micro Enterprises across the country by merging REGR and PMPY scheme. The Ministry has nominated KVIC as a State level Nodal Agency. The scheme is being operating in rural area through KVIC and KVIB and in urban and rural area through DICs.

2. All PMPGP implementing agencies like KVIC/KVIB/DIC are hereby informed that the PMPGP on line form available in the KVIC PMPGP website has been further simplified by the Ministry. In the present form, some of the essential items, which may not be necessary at initial stage and can be called at Project submission stage have been deleted. The provision of Aadhar validation of the beneficiary's mobile number can obviate the necessity of photo or father's house name in the Form to identify the beneficiary and hence the details of the applicant is not required.

3. It is also to inform that, Aadhar Validation is available in the recently introduce Udyog Ahar Memorandum (UADARE) form of all MSME units; similar provision has been introduced in the present on line application form.

4. The present form has accordingly been modified to make it more concise (to the point) and user friendly. As per the instructions of the Ministry is enclosed here with. Revised Form is uploaded in the KVIC/PMPGP web site after proper designing.

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PMPGP
28/12/2015