

No.PMEGP/EVN-S/1/2016
Government of India
Ministry of Micro, Small and Medium Enterprises

Udyog Bhawan,
New Delhi- 110011.

Date: 10.08.2016

To
[As per list enclosed]

Subject: Letter of Invitation for Evaluation Study of PMEGP Scheme-reg..

Sir/ Madam,

We invite proposal for the Assignment titled **Evaluation Study of Prime Minister's Employment Generation Programme (PMEGP) Scheme**". More details of the Assignment are provided in the enclosed Terms of Reference **(TOR)**.

2. This letter of Invitation has been addressed to the following short listed institutions/ Consultants:

- i. Indian Institute of Rural Management (IRMA)
- ii. Institute of Applied Manpower & Research (IAMR), Delhi
- iii. Entrepreneurship Development Institute (EDI), Ahmedabad
- iv. National Institute of MSME (Ni-MSME), Hyderabad
- v. National Institute of Entrepreneurship and Small Business Development (NIESBUD), Noida
- vi. Indian Institute of Entrepreneurship, Guwahati
- vii. National Productivity Council., New Delhi
- viii. JPS Associates (P) Ltd., New Delhi
- ix. Tata Economic Consultancy Services, Mumbai.
- x. National Council of Applied Economic Research, New Delhi
- xi. Birla Institute of Management Technology (BIMTECH), Greater Noida, UP.
- xii. Institute of Economic and Social Change, Bangalore
- xiii. Institute of Economic Growth, Delhi
- xiv. Management Development Institute (MDI), Gurgaon
- xv. India Business Strategy Group, New Delhi

It is not permissible for the addressees to transfer this invitation to any other Institution.

Contd/-..

3. With this Letter of Invitation, the following documents are enclosed:
 - (i) Terms of Reference **(TOR)** of the Assignment.
 - (ii) Standard form of Certificates to be included in the proposal
 - (iii) Copy of the PMEGP Guidelines.
 - (iv) Standard Form of Agreement.
4. We will be happy to receive your proposal for undertaking this Assignment. The evaluation of the proposal (s) received will be done by the Tender Opening and Scrutiny Committee and, on approval, the decision will be communicated to you.
5. Your detailed proposal and the Financial Proposal should be in **two separate and sealed covers**. The reference No. of this letter and the title of the assignment should be **superscribed** on the envelope containing the proposal.
6. The address for submitting the proposal is as follows:

**Shri Samar Nanda, Deputy Secretary (ARI Wing), Ministry of
Micro Small and Medium Enterprises, Room No. , Udyog Bhawan,
New Delhi 110011. Tel: 011-23062745.**
7. The proposal may be delivered through the Reception Counter at Gate No.12 or dropped in Tender Box (Ministry of MSME) at Gate No.8, Udyog Bhawan. The proposal **must reach** the above mentioned address **by 4.00PM on 09.09.2016.** **The bids shall be opened on the same date i.e. 09.09.2016 at 4.30PM** in the presence of representatives of the bidders duly authorized by the respective bidder. The date and time for opening of the financial bids of the eligible bidders will be intimated separately.

Thanking you and looking forward to hearing from you.

Yours faithfully,

Encl: As above

(Anil Kumar)

Under Secretary to the Govt. of India.

Tel.No.23063641

Copy to:

Shri Shubhendu Kumar, Technical Director, NIC for uploading on the official website of M/o MSME under the tender notice icon.

EVALUATION STUDY OF PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP) SCHEME

TERMS OF REFERENCE (TOR)

1. BACKGROUND:

Ministry of Micro, Small and Medium Enterprises, Government of India has been implementing the PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP) SCHEME since 2008-09. Khadi and Village Industries Commission (KVIC), Mumbai is the national level nodal agency for PMEGP Scheme. A brief on Prime Minister's Employment Generation Programme (PMEGP) is appended with the bid document.

2. OBJECTIVES AND COVERAGE OF THE ASSIGNMENT

Coverage of the Study and Sample Size: The study will cover the PMEGP units all over the country financed from 2012-13 to 2015-16 on random sampling method of 5% sampling. The total units between 2012-13 to 15-16 are 2,00,885. 5% sample will have 10,044 units.

Stratified random sample :

The sample will be selected on stratified random sampling basis. The total population for the study is 2,00,885 units. Sample coverage will be 5% i.e. 10,044 units. State-wise stratified sample of 34 States / U.T. will be taken for the purpose of the study. Further, the study will be conducted for each stratum of three implementing agencies viz. KVIC, KVIB and DIC in proportion of 30:30:40. The stratified sample would be selected on random basis i.e. 102 strata to be covered for the study (3 implementing agencies X 34 States/UTs). **State-wise sample details are enclosed at Annexure –I.**

Integrity Clause

Integrity clause in line with guidelines issued by Department of Expenditure OM14 (12) 2008-E-II (A) will be complied with while issuing RFQ. GFR norms as applicable, will be followed.

Consultancy Evaluation Committee

A committee constituted by the Ministry will look into the Bid evaluation and performance of the selected Agency as per the TOR/Agreement for the assignment .

Specific Terms of References (Objectives of the Study):

1. To study the impact of the scheme in terms of employment generation and improvement in income.
2. To assess the achievements of PMEGP scheme with reference to the targets fixed and if not, the reasons therefor.
3. To study the employment generated per project under manufacturing and service sectors separately.
4. To study the per capita investment for manufacturing and service industry projects separately.
5. To study range-wise projects financed under manufacturing and service sectors.
6. To study social category-wise distribution in projects and employment under the scheme.
7. To study the repayment of loan behavior of the beneficiaries / entrepreneurs.
8. To study the industry-wise distribution of projects industry-wise in manufacturing and service sectors.
9. To study the time taken for sanction of bank loan and release of first installment by the banks.
10. To study the working capital sanctioned, released by the banks and utilization by the beneficiaries.
11. To study the capital expenditure sanctioned, released by the banks and utilization by the beneficiaries.
12. To study about the recovery of proportionate margin money by the banks from the beneficiaries in respect of those cases, where working capital sanction has not fully utilized by the beneficiaries.
13. To study about the recovery of proportionate margin money from the beneficiaries in respect of those cases, where capital expenditure sanction has not fully utilized by the beneficiaries.
14. To study whether the interest is charged by the banks in respect of margin money subsidy portion deposited in the beneficiary's accounts.
15. To study the disbursement of loan, number and size of installments released to the beneficiaries.
16. To study the co-relation between project cost, margin money utilization, production and sales.
17. To study the quantifiable targets /objectives fixed for PMEGP scheme for the XI Plan period.
18. To critically examine the constraints and bottlenecks faced by the beneficiaries in respect of loan sanction, working capital, training, marketing etc.
19. To study the impact and quality of EDP training being imparted under PMEGP scheme through 'Sample survey' of beneficiaries.
20. To study the infrastructure and capacity of the existing EDP accredited training centers in terms of quality of the faculty, facilities and effectiveness of the Programme.
21. To study the marketing strategies adopted by the beneficiaries for marketing of their products.
22. To study and assess the reasons for sickness, Non Performing Assets (NPA), non-functioning and not setting up of units.
23. To study the technology being adopted / used for manufacturing the products.
24. To study the impact of backward & forward linkages like EDP training, awareness camps, workshops, exhibitions, publicity etc. conducted under PMEGP scheme.

25. To study the existing procedure of selection of beneficiaries through DTFC and suggest remedial measures for further improvement.
26. To study whether there is any need for modification in the scheme.

3. SCOPE OF THE ASSIGNMENT

- The assignment will involve field study; devising questionnaires and data collection; interaction with beneficiaries, financing banks, and other stake holders as also scrutiny, validation and analysis of over-all functioning of Prime Minister's Employment Generation Programme (PMEGP) scheme. The field offices of KVIC, State KVIBs, Directorate of Industries (DIC) of State Govt. who are implementing the PMEGP shall provide data/information required in connection with the evaluation study as called for by the agency entrusted with the evaluation study. The agency shall present the report along with all related data and detailed analysis including statements / charts etc., wherever necessary.

4. REPORTING SCHEDULE: (Time Frame)

Following time schedule and action plan is proposed:

- ❖ Short-listing of agencies:
- ❖ Selection of agency to award the study and completion of formalities related to Agreement with the Agency :
 - (i) Draft report: Within 90 days from the date of release of 1st installment.
 - (ii) Final report: Within 30 days from the date of submission of draft report.
- ❖ The assignment should be completed within the time stipulated in the agreement. Delay in submission of the report beyond the stipulated time will attract penalty as provided for in the agreement. For factors beyond the control of the institution given the assignment, suitable extension in time may, however, be granted at the request of the institution.
- ❖ The Ministry of MSME shall not pay any extra amount for any escalation in the cost of the assignment beyond the time period stipulated in the agreement.
- ❖ The agencies are also expected to clearly comment on the objectives, scope and reporting schedule in case they suggest for alteration.

- ❖ 10 hard copies of the final report, 15 hard copies of the executive summary and 50 CDs containing the final report shall be submitted before submitting the final bill for payment.
- ❖ The draft/final report and the contents thereof would be the intellectual property of the Ministry of MSME and would not be published by the institution concerned without prior approval of the Ministry of MSME.
- ❖ The raw data / processed data/findings should not be disclosed by the agency to any third party without prior approval of the Ministry of MSME.

During the currency of the assignment, Ministry of MSME may modify the TOR and other terms and conditions of the assignment if necessary, in order to strengthen/deepen its scope/coverage. As far as possible, such modifications will not be made more than once during the currency of the study and with the due concurrence of the agency concerned.

7. BID EVALUATION CRITERIA AND SELECTION PROCESS OF THE AGENCY:

(a) Bidding process

- (i) The Ministry invites two part bids from eligible agencies/service providers for the scope of work mentioned in the document. The two Part bid shall consist of Part-I-Technical bid and Part-II-Financial bid.
- (ii) Technical Bid and Financial bid should be submitted in two separate envelopes superscribed "**Technical Bid**" and "**Financial Bid**" respectively. The Technical Bid would be opened first. The Financial Bid (**to be provided in a separate sealed cover**) would be opened only in the case of those tenderers /bidders who qualify the technical evaluation and meet the requisite parameters laid down by the Ministry of MSME.

Following **supporting documents** should be enclosed with the technical bid, failing which the bid will be liable for rejection by Ministry of MSME:

1. Certificate/work order supporting the work done under National Evaluation Study clearly giving details of name of the States covered for each study.
2. Certificate of registration of the organization.
3. Details of experts at National Level and Zonal Level with their biodata clearly giving designation, qualification, relevant experience, work done, address, phone number etc.
4. Details of offices of the agency / associates in the Country with full address and phone number.
5. Chartered Accountant certified balance sheet of last 3 years (2013-14, 2014-15 and 2015-16) to indicate the turnover of the organization.

- (iii) Ministry of MSME will examine the bids to determine, whether required tender cost and EMD has been furnished. Whether the documents have been properly signed, whether the bids are generally in order and all other requirements are fulfilled for its acceptance.
- (iv) The Ministry of MSME may waive any minor infirmity, nonconformity or irregularity in a bid that does not constitute a material deviation and that does not prejudice or affect the relative ranking of any Bidder as a result of the technical and financial evaluation.
- (v) Prior to the detailed evaluation, the Ministry of MSME will determine whether each Bid is acceptable qualitatively, is generally complete and is substantially responsive to the Bid Documents. For the purposes of this determination, a substantially responsive Bid is one that confirms to all the terms, conditions, scope of work and specifications of the Bid Documents without material deviations, objections, conditionalities or reservations. A material deviation, objection, conditionality or reservation is one (i) that affects in any substantial way the scope, quality of performance of the Contract; (ii) that limits in any substantial way and/or is inconsistent with the Bid Documents or the Ministry of MSME's rights or the successful Bidder's obligations under the Contract; or (iii) whose rectification would unfairly affect the competitive position of other Bidder's who are presenting substantially responsive Bids.
- (vi) If a Bid is not substantially responsive, it will be rejected by Ministry of MSME, and may not subsequently be made responsive by the Bidder by correction of the non- conformity.

SCORE CARD FOR TECHNICAL EVALUATION

- (vii) The bids will be evaluated by Ministry of MSME to ascertain the technically and commercially responsive bid for the complete scope of work, as detailed below:

I. The marks for technical evaluation of the bids are as under:-

Sr. No.	Particulars	Marks
I.	Marks for Technical Evaluation	70 Marks
1	Overall Experience of agency as on 31.03.2016	
A	5 years	5
B	5 to 10 years	7
C	10 years and above	10
2	Experience in National level Evaluation Studies	
A	Conducted 3 National level Evaluation Studies covering at least 15 States in 4 Zones which should include at least one State of North East Zone.**	5
B	Conducted more than 3 and upto 7 National Level Studies covering at least 20 States in 5 Zones which should include at least one State of North East Zone.**	10
C	Conducted more than 7 National Level Studies covering 25 States in 6 Zones which should include	20

	at least one State of North East Zone.**	
3	Average Annual Turn Over (should not be less than Rs.50.00Lakhs)	
A	Average annual turnover during last 3 financial years (2013-14 to 2015-16) Rs.50.00Lakhs to Rs.75.00Lakhs.	5
B	Average annual turnover during last 3 financial years (2013-14 to 2015-16) more than Rs.75.00Lakhs and upto Rs.1.00Crore	7
C	Average annual turnover during last 3 financial years (2013-14 to 2015-16) more than Rs.1.00Crore	10
4	Availability of Infrastructure	
A	Having office in 4 States including 3 in Metro Cities and one in North East Zone	5
B	Having office in 6 States including 4 in Metro Cities and one in North East Zone	10
C	Having office in 10 States including 6 in Metro Cities and one in North East Zone	20
5	Availability of Experts	
A	3 Experts at National Level and 1 Expert at each Zone.	5
B	5 Experts at National Level and 2 Experts at each Zone.	7
C	7 Experts at National Level and 3 Experts at each Zone.	10

II. Marks for Presentation 30 Marks

A	Understanding of the context	10
i.	Understanding of the scheme	05
ii.	Understanding of the scope of work	05
B	Approach & Methodology	10
i.	Approach to the study	05
ii.	Methodology	05
C	Team Deployment & Timelines	10
i.	Composition of team planning and deployment	5
ii.	Adhering to timelines	5

For qualifying in the technical bid minimum combined score (I+II) will be 60 marks out of 100 marks for opening of financial bid.

** Zones categorized by Ministry of MSME

Sr No	North Zone	Sr No	East Zone	Sr No	North East Zone
1	UT Chandigarh	1	A & N Islands	1	Aru. Pradesh
2	Delhi	2	Bihar	2	Assam
3	Haryana	3	Jharkhand	3	Manipur

4	Him. Pradesh	4	Odisha	4	Meghalaya
5	Jammu & Kashmir	5	West Bengal	5	Mizoram
6	Punjab			6	Nagaland
7	Rajasthan			7	Tripura
				8	Sikkim

Sr No	South Zone	Sr No	West Zone	Sr no	Central Zone
1	And. Pradesh	1	Goa	1	Chattisgarh
2	Karnataka	2	Gujarat	2	Madhya Pradesh
3	Kerala	3	Maharashtra	3	Uttarakhand
4	Lakshadweep			4	Uttar Pradesh
5	Pondicherry				
6	Tamil Nadu				
7	Telangana				

- (i) After the technical evaluation is completed, Ministry of MSME shall notify those bidders, who qualify in the technical evaluation and presentation meeting the minimum score requirement of 60 marks out of 100 as detailed above whose financial bid will be opened. The financial bid shall be opened in the presence of the qualified bidders or their authorized representatives, who may choose to attend the bid opening.
- (ii) The bidders who do not qualify the technical evaluation shall be informed separately and their EMD and unopened financial bid shall be returned after award of the assignment.

(c) Financial proposal

The Evaluation Committee of the Ministry of MSME will assess the financial bids of the bidders and **the lowest financial bid will be selected for award of the work.**

(d) Award of the Assignment:

- (i) The selected agency will have to furnish an 'Unconditional Acceptance' of the assignment, within fifteen days from the date of the award of the study.
- (ii) The selected agency will have to furnish the required Bank Guarantee for an amount equivalent to the amount of 1st installment i.e. 30 percent of the cost of the study within a specified period of 15 days from the date of award of the study. The tenure of the Bank Guarantee will be upto the period of submission of the draft report and it is acceptable to the Committee. If any renewal of the Bank Guarantee is required, that will be the sole responsibility of the agency.
- (iii) If the selected agency does not furnish the required Bank Guarantee or does not accept the assignment within the stipulated target date, such non compliance will constitute sufficient ground for forfeiture of its EMD and processing the case for further action against the agency.

(e) EMD

- (i) Technical bid shall be accompanied with an Earnest Money Deposit of **Rs.50,000/-** (Rupees Fifty thousand only) in the form of Demand Draft in the name of Shri Samar Nanda, Deputy Secretary, Ministry of MSME, Udyog Bhawan, New Delhi-110011. The EMD deposited by the unsuccessful bidder shall be refunded after the awarding the assignment.
- (ii) Within 15 days of receipt of letter of award of assignment, the agency shall enter into an agreement with Ministry of MSME for undertaking the work of evaluation study. Failure on the part of the successful Bidder to comply with the requirements of this clause will constitute sufficient grounds for the annulment of the award and forfeiture of the EMD.
- (iii) Ministry of MSME shall be the competent authority to interpret any provisions or clauses of the bid documents. The Ministry of MSME for reasons to be recorded in writing may prescribe additional conditions or procedures to be followed by the bidders, till the award of the assignment. The decision of the Ministry of MSME in this regard shall be final and binding on the bidders.
- (iv) Ministry of MSME reserves the right to accept or reject any/all bids, without assigning any reason.

(f) Performance Security

Performance Security should be submitted by the successful bidder /agency. The selected agency will have to furnish the required Performance Security, which should be 5% of the cost of the evaluation study within a period of 15 days from the date of award of the study.

The same should be furnished in the form of an Account Payee Demand Draft or Fixed Deposit Receipt from a Commercial Bank or Bank Guarantee from a Commercial Bank in an acceptable form. The Performance Security should remain valid for a period of sixty days beyond the date of the completion of all contractual obligations of the agency. Bid security (i.e. EMD) will be refunded to the successful bidder on receipt of performance security.

8. PENALTY CLAUSE:

Any delay in submission of draft and final reports beyond the stipulated time, without the prior written consent of the Ministry of MSME will attract a penalty of 0.5 percent of the total cost of the study, per week. However, if the delay is more than six weeks in submission of the report, the penalty will be imposed @ 5 percent of the total cost of the study. Under such eventuality, the penalty will be deducted out of the balance amount to be released to the agency.

9. TERMS OF PAYMENT:

The terms of payment for this assignment are as follows:

- (i) First installment: 30 percent of the cost of the study within 15 days after signing of the agreement and furnishing of the required **bank guarantee equal to the first installment of payment.**

- (ii) Second installment: 45 percent of the cost of the study subject to submission of the draft report (10 copies of the draft report including executive summary) within the time schedule prescribed in the agreement and a presentation on the draft report being made before the Committee and the draft report being found to be acceptable to the Committee.
- (iii) Third & final installment: Balance 25 percent on submission of the final report and its acceptance by the Ministry of MSME. The final payment will be made within 6 weeks on acceptance of the report by the Ministry of MSME and submission of bills etc. by the agency.
- (iv) The total fee for the study as agreed with the agency will include service tax. Any other liability of payment of tax will be of the agency conducting the study. However Ministry of MSME will deduct the TDS from each installment, while releasing the installment.

10. Dispute of Resolution

If a dispute arises out of or in connection with this agreement, or in respect of any defined legal relationship associated herewith or derived there from, the parties agree either to seek an amicable settlement of that dispute by conciliation under the ICADR Conciliation Rules, 1996 or to submit that dispute to Arbitration under the ICADR Arbitration Rules, 1996.

The authority to appoint Conciliator /Arbitrator shall be the International Centre for Alternative Dispute Resolution. The place of conciliation /arbitration proceedings shall be in New Delhi.

11. Events of Default.

- Delay in furnishing of any report within the period mentioned for in Annexure 'III' provided that there shall not be default for the period or Force Majeure and delays solely attributable to the Ministry of MSME.
- Any report being non-acceptable to the Ministry of MSME for lack of professional quality.
- Breach of any of the terms of Agreement.

12. Consequences of Default:

On the occurrence of any of the event of default on the part of Agency, the Ministry of MSME may terminate this Agreement and claim refund of any money paid or invoke the bank guarantee and refuse to make any more payment.

In case of default being limited to delay only not exceeding 5 weeks, the Ministry of MSME may in the alternative, claim the agreed liquidated damages @ 0.5% of the amount of contract for every week of delay upto 6 weeks and @ 5% in case of delay is beyond 6 weeks. The amount of liquidated damages shall be withheld and /or recovered from the payment to be made to the Agency. In case of default other than delay, the Ministry of MSME shall terminate the Agreement by giving a short notice of 14 days and shall assign the work to some other Agency at its discretion.

**Part-I -Technical Bid
(in separate sealed cover)**

Ministry of MSME,
Udyog Bhawan, New Delhi-110011

APPLICATION FORM

Sub: Evaluation Study of Prime Minister's Employment Generation Programme (PMEGP) Scheme

S. No.	PARTICULARS	
1.	Name & full postal address of the agency with PIN code, STD code, Fax/Tel. No., e-mail ID	
2.	Year of registration (please enclose the certified copies of the registration certificate)	
3.	Legal status of the organization (Central / State government organisation or undertaking or Company registered under Companies Act or Registered Societies or registered Proprietorship firm / Partnership firm.)	
4.	Year of commencement of operation (Total number of years of experience as on 31.03.2016)	
5.	Brief profile of the agency along with organizational chart	
6.	Details of information i.e. Head Office and other branches in the country with PIN code, STD Code, Fax/Tel. No., e-mail, web site, if any	

a	Details of offices in 4 States including 3 in Metro cities and one in North East Zone.	
b	Details of offices in 6 States including 4 in Metro Cities and one in North East Zone	
c	Details of offices in 10 States including 6 in Metro Cities and one in North East Zone.	
7.	Past experience in surveys/ evaluation studies conducted: Experience in conducting similar studies particularly concerning decentralized sector be furnished separately	
	I) Total no. of National Level Evaluation Studies / surveys/ conducted	
	(a) Details of 3 National level studies with list of 15 States in 4 Zones which should include at least one State of North East Zone should be enclosed.	
	(b) Details of more than 3 and up to 7 National level studies with list of 20 States in 5 Zones which should include at least one State of North East Zone should be enclosed.	
	(c) Details of more than 7 National level studies with list of 25 States in 6 Zones which should include at least one State of North East Zone should be enclosed.	
	.IV) Whether such surveys/ evaluation studies were conducted jointly or individually, if yes, give details	
8.	List of major clients (Please enclose	

	client certificates)	
9.	Surveys/evaluation studies in hand	
10.	Annual turnover of the preceding 3 years (2013-14 to 2015-16) by undertaking surveys /evaluation studies (Enclose Chartered Accountant Certified balance sheet for the above 3 years).	
a	Average annual turnover during last 3 financial year (2013-14 to 2015-16) Rs.50.00 lakhs to Rs. 75.00 Lakhs.	
b	Average annual turnover during last 3 financial year (2013-14 to 2015-16) more than Rs.75.00 Lakhs and upto Rs.1.00 Crore	
c	Average annual turnover during last 3 financial year (2013-14 to 2015-16) more than Rs.1.00 crore	
11.	Whether the agency is graded /rated by any competent authority/ professional agency, if so, give details	
12.	Availability of total manpower/ Experts (Bio data of each National Level Experts and Zonal Level Experts should be enclosed) :	
a	Details of 3 Experts at National Level and 1 Expert at each Zone.	
b	Details of 5 Experts at National Level and 2 Experts at each Zone.	
c	Details of 7 Experts at National Level and 3 Experts at each Zone.	
d	Whether the proposed study will be completed by the Agency with own man power or through any collaboration, if so, give details.	

13.	Technical staff and investigators (State-wise details)	
14.	Proposed time schedule for completion of this study:	
	(i) Period for making preliminary arrangements	
	ii) Period for preparation of questionnaires/pilot study	
	iii) Field work and Data collection	
	iv) Data Analysis	
	v) Submission of Interim Progress Report	
	vi) Submission of Draft Report	
	vii) Submission of Final Report	
15.	Financial position of the agency (Enclose last three years audited balance sheets)	
	(a) Service Tax Number (Please enclose certified copy.)	
	(b) TAN/PAN Number (please enclose certified copy)	
	(c) Income Tax clearance certificate (ITCC) for the last 3 years (please enclose certified copies)	
16.	(a) Details of Earnest Money Deposit (EMD) – D.D. No. / Date /Amount /Bank	
	(b) Details of cost of the Tender Document D.D. No. /Date /Amount /Bank	
17.	Any other information of the agency feels relevant but not covered in the form	

Demand Drafts for Earnest Money Deposit (EMD) to be enclosed alongwith the 'Technical Bid' only.

Note: While submitting the offer and quoting cost of the study, the agency has to take into consideration the guidelines, terms and conditions and various clauses of the draft agreement.

Place:

Date:

Signature of Authorized person :

Name:

Designation:

Seal:

Part-II

FINANCIAL BID (IN A SEPARATE SEALED COVER)

Agency's financial proposal (bid) for conducting Evaluation study
of **PRIME MINISTER'S EMPLOYMENT GENERATION**
PROGRAMME (PMEGP) SCHEME

S. No.	Details	Cost of the study (Rs.)
1.	Name & Full address of the organization	
2.	Cost of Evaluation Study (inclusive of all taxes)	

Place:

Signature of Authorized person:

Date:

Name:

Designation:

Seal :

**AGREEMENT FOR CONDUCTING
EVALUATION STUDY OF PRIME MINISTER'S
EMPLOYMENT GENERATION PROGRAMME (PMEGP)
SCHEME**

AGREEMENT

THIS AGREEMENT is entered into this _____ day of _____
2016, between the Ministry of MSME, New Delhi and

_____,
after referred to as "the AGENCY" acting through Shri/Smt.

WHEREAS, the Ministry of MSME wishes to have the Agency to perform the assignment hereinafter referred to, and

WHEREAS, the Agency is willing to perform this assignment,

NOW, THEREFORE, THE PARTIES hereby agree as follows:

1. Services

- (i) The Agency shall perform the assignment specified in "Terms of Reference and Scope of Assignment," which is an integral part of this Agreement (the "Assignment").
- (ii) The Agency shall provide the personnel listed in Annex. II, "Agency's Personnel," to perform the Assignment.
- (iii) The Agency shall submit to the Ministry of MSME the reports in the form and numbers and within the time periods specified in Annex-III "Agency's Reporting Obligations".

2. Term

The Agency shall perform the assignment (within 4 months from the date of release of 1st installment), or any other period as may be subsequently agreed by the parties in writing, subject to liquidated damages for the delay attributable to the Agency.

3. Payment

A. **Ceiling**

For the assignment, the Ministry of MSME shall pay the Agency the sum of Rs. -----
----- (Rupees-----

-----). This amount includes the Agency's all costs and deliverables as well as any tax obligation that may be imposed on the Agency.

B. Schedule of Payments

The schedule of payments is specified below:

- i) First installment: 30 percent of the cost of the study within 15 days after signing of the agreement and submission of the Bank Guarantee.
- ii) Second installment: 45 percent of the cost of the study subject to submission of the draft report (10 copies of the draft report including executive summary) within the time schedule prescribed in the agreement and a presentation on the draft report being made before the Committee and the draft report being found to be generally acceptable to the Committee.
- iii) Third and final installment: - Balance 25 percent on submission of the final report and its acceptance by the Ministry of MSME. The final payment will be made within 6 weeks on acceptance of the report by the Ministry of MSME and submission of bills etc, by the Agency.
- iv) The total fee for the study as agreed with organization will include service tax and other tax and the liability of payment of tax will be of the Agency conducting the study. However, Ministry of MSME will deduct the service tax from each installment while releasing the installment.

C. Payment Conditions

- (i) Payment on signing of this agreement shall be made against a bank guarantee for an amount of Rs from a Scheduled Bank in favour of the Ministry of MSME as specified in the tender document as well as ToR for the purpose of this evaluation study.
- (ii) Final payment shall be made not earlier than 6 weeks, following submission of complete invoices in duplicate by the Agency and acceptance of the Report by Ministry of MSME.

4. Project Administration

The Ministry of MSME designates Shri. Anil Kumar, Under Secretary as the Ministry's Coordinator for this assignment. The Coordinator will be responsible for the coordination of activities and monitoring the progress of the study under this Agreement, for acceptance and approval of the reports and of other deliverables by the Ministry of MSME and for receiving and approving invoices for the payment.

5. Performance Standards

The Agency undertakes to perform the assignment with the highest standards of professional and ethical competence and integrity. The Agency shall promptly but not later than 7 days replace any employees assigned under this Contract that the Ministry of MSME considers unsatisfactory. The Agency shall also promptly carry out any modification/improvement in the report and or other deliverables as suggested by the Coordinator, failing which the Ministry of MSME shall have the right to terminate this Agreement by giving a short notice of 14 days to the Agency.

6. Confidentiality

The Agency shall not disclose any proprietary or confidential information relating to the Services, this Agreement or the Ministry of MSME's business or operations without the prior written consent of the Ministry of MSME.

7. Ownership of Material

Any study reports or other materials, graphic, software or otherwise, prepared by the Agency for the Ministry of MSME under the Agreement shall belong to and remain the property of the Ministry of MSME. The Agency may retain a copy of such documents and software for the purpose of this Agreement.

8. Insurance

The Agency will be responsible for taking out any appropriate insurance coverage at its own cost.

9. Re-Assignment

The Agency shall not re-assign this Agreement or sub-contract any portion of it without the Ministry of MSME prior written consent.

10. Dispute Resolution

If a dispute arises out of or in connection with this agreement, or in respect of any defined legal relationship associated herewith or derived there from, the parties agree either to seek an amicable settlement of that dispute by conciliation under the ICADR Conciliation Rules, 1996

or to submit that dispute to Arbitration under the ICADR Arbitration Rules, 1996.

The authority to appoint Conciliator /Arbitrator shall be the International Centre for Alternative Dispute Resolution.

The place of conciliation /arbitration proceedings shall be in New Delhi.

11. Events of Default

- (i) Delay in furnishing of any report within the period mentioned for in Annexure 'III' provided that there shall not be default for the period of Force Majure and delays solely attributable to the Ministry of MSME.
- (ii) Any report being non-acceptable to the Ministry of MSME for lack of professional quality.
- (iii) Breach of any of the terms of this Agreement.

12. Consequences of Default

- (i) On the occurrence of any of the event of default on the part of Agency, the Ministry of MSME may terminate this Agreement and claim refund of any money paid or invoke the bank guarantee and refuse to make any more payment.
- (ii) In case of default being limited to delay only not exceeding 5 weeks, Ministry of MSME may in the alternative, claim the agreed liquidated damages @ 0.5% of the amount of contract for every week of delay upto 6 weeks and @ 5% in case of delay is beyond 6 weeks. The amount of liquidated damages shall be withheld and /or recovered from the payment to be made to the Agency. In case of default other than delay, the Ministry of MSME shall terminate the Agreement by giving a short notice of 14 days and shall assign the work to some other Agency at its discretion.

13. Force Majure

The Parties shall be entitled to excuse performance of their respective obligations to the extent they are unable to perform the contract by an event of Force Majure. A party claiming relief on this account shall immediately on becoming aware of Force Majure event give notice to the other party disclosing the manner in and the period during which performance of its obligation is likely to be affected.

For the purpose of the Agreement Force Majure means Acts of God, wars or

similar action affecting India Civil
Commutations or general strike (excluding
by its own employees) lying beyond the
reasonable control of the affected party.

14. Notice

The address of the Parties for all
communication is:

Ministry of MSME :

Udyog Bhawan, New Delhi-110011.

Agency:

All notices with the aforesaid address sent
by pre-paid registered post or speed post
or sent by Fax with confirmation of its
delivery or e-mail shall be deemed to
have been served and received by the
addressee within the time they should
have been delivered/received at the
addressee's end.

Any change of address will not be valid
unless acknowledged by the other party.

IN WITNESS WHEREOF, the representatives of the Parties to this Agreement
being duly authorized have hereunto set their hands and affix their respective
seals and have executed those present this ____ day of _____.

For and on behalf of the Ministry of MSME FOR THE AGENCY

Signed by _____ Signed by _____

Designation _____ Designation _____

In presence of

1.

2.

In presence of

1.

2.

Annexure I: STRATIFIED SAMPLE DETAILS OF PMEGP UNITS

S.No.	State/UT	Total Units Disbursed	Sample (5%)	KVIC (30%)	KVIB (30%)	DIC (40%)
I. NORTH ZONE						
1	Chandigarh (U.T.)	189	9	3	3	3
2	Delhi	757	38	12	12	14
3	Haryana	4285	214	65	65	84
4	Him.Pradesh	4349	217	66	66	85
5	Jammu & Kashmir	7663	383	115	115	153
6	Punjab	3868	193	59	59	75
7	Rajasthan	7867	393	119	119	155
TOTAL -I		28978	1447	439	439	569
II. EAST ZONE						
8	A & N Islands	720	36	11	11	14
9	Bihar	10340	517	156	156	205
10	Jharkhand	8447	422	127	127	168
11	Orissa	10770	539	162	162	215
12	West Bengal	15118	756	227	227	302
TOTAL -II		45395	2270	683	683	904
III. N.E.ZONE						
13	Aru.Pradesh	1605	80	25	25	30
14	Assam	24089	1204	362	362	480
15	Manipur	2825	141	43	43	55
16	Meghalaya	2013	101	31	31	39
17	Mizoram	3245	162	49	49	64
18	Nagaland	1896	95	29	29	37
19	Tripura	4340	217	66	66	85
20	Sikkim	241	12	4	4	4
TOTAL - IIII		40254	2012	609	609	794
IV. SOUTH ZONE						
21	And.Pradesh	5000	250	75	75	100
22	Telanaga	1264	63	19	19	25
23	Karnataka	8600	430	129	129	172
24	Kerela	6090	305	92	92	121
25	Lakshadweep	35	2	1	1	0
26	Puducherry	220	11	4	4	3
27	Tamilnadu	9833	492	148	148	196
TOTAL -IV		31042	1553	468	468	617
V. WEST ZONE						
28	Goa	294	15	5	5	5
29	Gujarat*	4688	234	71	71	92
30	Maharashtra**	11792	590	177	177	236
TOTAL -V		16774	839	253	253	333
VI. CENTRAL ZONE						
31	Chattisgarh	4793	240	72	72	96
32	Madhya Pradesh	10379	519	156	156	207
33	Uttarakhand	5131	257	77	77	103
34	Uttar pradesh	18139	907	273	273	361
TOTAL - VI		38442	1923	578	578	767
GRAND TOTAL		200885	10044	3030	3030	3984

*including Daman & Diu ** including Dadra & nagar Haveli

AGENCY'S PERSONNEL

Sr. NO.	NAMES OF THE TEAM LEADER AND STAFF	QUALIFIC ATION	POSITION / DESIGNATION HELD	EXPERIENCE
1.				
2.				
3.				
4.				
5.				
6.				

Place:

Signature:

Date:

Name:

Designation:

Seal:

AGENCY'S REPORTING OBLIGATIONS

- Submission of draft report 90 days from the date of release of 1st installment.
- Final report within 30 days from the date of acceptance of the draft report by Ministry of MSME.
- 15 hard copies of the final report, 25 hard copies of the Executive Summary and 10 CDs containing the final report shall be submitted before submitting the final bill for payment.

Place:

Date:

Signature:

Name:

Designation:

Seal:

PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP)

1. The Scheme

Government of India has 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 will be a central sector scheme to be administered by the Ministry of Micro, Small and Medium Enterprises (MoMSME). The Scheme will be 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 will be 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 will be 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 Non-Government Organization (NGOs)/reputed autonomous institutions/Self Help Groups (SHGs)/ National Small Industries Corporation (NSIC)/Udyami Mitras empanelled under Rajiv Gandhi Udyami Mitra Yojana (RGUMY), 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.

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.

3. Quantum and Nature of Financial Assistance

Levels of funding under PMEGP

Categories of beneficiaries under PMEGP	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

4. Eligibility Conditions of Beneficiaries

- (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 benefits 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.

4.1 Other eligibility conditions

- (i) A certified copy of the caste/community certificate or relevant document issued by the competent authority in the case of other special categories, is required to be produced by the beneficiary to the concerned branch of the Banks along with the Margin Money (subsidy) Claim.

- (ii) A certified copy of the bye-laws of the institutions is required to be appended to the Margin Money (subsidy) Claim, wherever necessary.
- (iii) Project cost will include Capital Expenditure and one cycle of Working Capital. 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.
- (iv) Cost of the land should not be included in the Project cost. Cost of the ready built 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.
- (v) PMEGP is applicable to all new viable micro enterprises, including Village Industries projects except activities indicated in the negative list of Village Industries. Existing/old units are not eligible (Para 29 of the guidelines refers).

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.

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), Panchayati Raj Institutions and other NGOs of repute in identification of beneficiaries under PMEGP.

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) Banks/Financial Institutions.
- v) KVI Federation
- vi) Department of Women and Child Development (DWCD), Nehru Yuva Kendra Sangathan (NYKS), The Army Wives Welfare Association of India (AWWA) and Panchayati Raj Institutions
- vii) 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.
- viii) 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.
- ix) 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.
- x) Departmental and Non-Departmental Training Centres of KVIC / KVIBs.
- xi) 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.
- xii) National Small Industries Corporation's (NSIC) offices, Technical Centres, Training Centres, Incubators and Training cum Incubation Centres (TICs) set up in PPP Mode.
- xiii) 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).

- xiv) Udyami Mitras empanelled under Rajiv Gandhi Udyami Mitra Yojana of Ministry of MSME.
- xv) PMEGP Federation, whenever formed.

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 a Task Force consisting of representatives from KVIC/State KVIB and State DICs and Banks. The Task force would be headed by the District Magistrate / Deputy Commissioner / Collector concerned. The Bankers should be involved right from the beginning to ensure that bunching of applications is avoided. However, 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) will be allowed to submit applications directly to Banks. However, the Banks will refer the application to the Task Force for its consideration. Exaggeration in the cost of the project with a view only to availing higher amount of subsidy should not be allowed. KVIC will devise a score card in consultation with SBI and RBI, and forward it to the District Level Task Force and other State/District functionaries. This score board will form the basis for the selection of beneficiaries. This score card will also be displayed on the websites of KVIC and Ministry. The selection process should be through a transparent, objective and fair process and Panchayati Raj Institutions should be involved in the process of selection (Para 11 (1) of the guidelines refers).

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. The amount of Bank Credit will be ranging between 60-75% of the total project cost after deducting 15-

35% of margin money (subsidy) and owner's contribution of 10% from beneficiaries belonging to general category and 5% from beneficiaries belonging to special categories. This scheme will thus require enhanced allocations and sanction of loans from participating banks. This is expected to be achieved as Reserve Bank of India (RBI) has already issued guidelines to the Public Sector Banks to ensure 20 % year to year growth in credit to MSME Sector. SIDBI is also strengthening its credit operations to micro enterprises so as to cover 50 lakh additional beneficiaries over five years beginning 2006-07, and is recognized as a participating financial institution under PMEGP besides other scheduled/ Commercial Banks.

8.3 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.

8.4 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.

8.5 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

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.

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 w.e.f. 01.05.2016.
- 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.
- 11.5 Applicant will be provided with application ID on final submission.
- 11.6 Applicant's Aadhaar number would be preferred and in case applications are being filed by institutions, the authorized person should furnish his Aadhaar number. In case no Aadhaar number is available Pan Card of the individual/ Enterprise or operational Bank account number of the institution may be furnished.
- 11.7 One page online application form will have the provision for saving data entered at any stage.
- 11.8 Guidelines for filling up of each and every column will be provided alongside the application form.
- 11.9 A list of FAQs about the scheme as well online filing of application will be provided. A short video showing the online filing of applications will also be provided.
- 11.10 There will be a link in the application form providing for enabling the applicant to prepare his own project report based on a template provided.
- 11.11 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.

11.12 The application form/ PMEGP MIS portal will be mobile friendly.

11.13 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.

11.14 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. They will appraise the applications on same methodology as followed by Banks for approval of loan. Applications which do not conform to the scheme guidelines or which remain incomplete or irrelevant even-after consultation with the applicant will be rejected by the concerned Nodal Officer, recording reasons for rejection. **Applicant can file grievance against such rejection to the State Director, KVIC.**

11.15 A Task Force, consisting of the following members, will be set up to scrutinize the applications received by it.

- 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
- h. (To be nominated by Chairman/District Magistrate/ Deputy Commissioner/ Collector by rotation)
- i. Director RSETI/RUDSETI - Member
- j. General Manager, DIC of the District -Member Convener

The District level Agencies (KVIC/KVIB/DIC) after the preliminary scrutiny will forward the finally corrected application simultaneously to the DLTF as well as to one of the Financing Bank opted by applicant and the Lead Bank Manager(LBM).

- 11.16 General Manager, District Industries Centre (DIC) will be the Convener of DLTFc and he will place all the applications received till date before the DLTFc. DLTFc meetings will be held at-least once in every month, if possible on every first Monday of the Month, (or on the dates decided through mutual consultation by the Dir. KVIC, KVIB and GM, DIC) and if required another DLTFc meeting can be held within the same month. Dates of the meeting fixed shall be displayed on the PMEGP web portal of all Districts. DLTFc meetings will be chaired by the Collector or in his absence by the EO/PD, DRDA or Deputy Collector or in his absence the General Manager, District Industries Centre. Project Director-DRDA shall be the vice chairman of DLTFc. The Committee will consider each application and make its recommendation on-line. The decision of the DLTFc will be conveyed on-line to the District Implementing Agencies (KVIC/KVIB/DIC) within 3 working days of the meeting electronically. The concerned Agency will within 48 hours of the receipt of decision of DLTFc forward the recommended application to the concerned Banks. This entire process has to be completed within 45 days of receipt of application on line. **There shall preferably be no interviews by the DLTFc**, however, if considered necessary DLTFc may call the applicant for personal interaction/interview. **If the DLTFc does not clear within 45 days, the Banks can appraise the projects on their own.** In case of rejection, the reasons for rejection should be clearly conveyed to the applicant.
- 11.17 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 Committee, 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 respect cases.
- 11.18 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 cleared by the Task Force.** However, they will appraise projects both technically and economically after ensuring that each project fulfills *inter alia* the criteria of
- ii. Industry
 - iii. Per Capita Investment
 - iv. Own Contribution
 - v. Rural Areas (projects sponsored by KVIC/ KVIBs/DICs) and
 - vi. Negative List (Para 29 of the guidelines)
 - vii. It is essential that the applications cleared by the District Task Force also fulfill these requirements at that stage itself so as to avoid delays in approval of loans in Banks.

- 11.19 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 DLTFC recommended 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.
- 11.20 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.
- 11.21 The applicant will deposit his own contribution and copy of EDP training certificate to the financing bank within 10 working days, of receiving the communication of his sanction of loan.
- 11.22 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.
- 11.23 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.
- 11.24 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.
- 11.25 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.**
- 11.26 Efforts will be made to send SMS/e-mail alerts to the applicant automatically by the system or by the concerned officials at each of the above stages.
- 11.27 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.

- 11.28 **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.
- 11.29 Projects financed jointly i.e. financed from two different sources (Banks / Financial institutions), are **not** eligible for Margin Money (subsidy) assistance.
- 11.30 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.
- 11.31 Banks / KVIC / KVIBs / DICs have to ensure that each beneficiary prominently displays the following sign-board at the main entrance of his project site:-

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

- 11.32 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 6 months 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.
- 11.33 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.

12. Entrepreneurship Development Programme (EDP)

- 12.1 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 for EDP under REGP was only 3 days, whereas, under PMRY it was 10 days. During various

meetings, discussions and recommendations of Department Related Parliamentary Standing Committee for Industry (DRPSCI) it was felt that 3 days were not adequate for providing this inputs effectively and, hence **two to three weeks** period has been provided under PMEGP which 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 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.

12.2. 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.

13. 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 proforma 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.

14. Awareness Camps

14.1 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. 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 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.

14.2 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) Presentation 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 12 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.

15. 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.
 - (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 co ordinating these workshops and will get the annual calendar of workshops approved by the Ministry, in advance.

16. Exhibitions

PMEGP Exhibitions will be organized by KVIC at National, Zonal, State and District Levels and special exhibitions for North Eastern Zone in co ordination 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.

17. 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.

18. 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.

19. 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.

20. 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.

21. Publicity and promotional activities

21.1 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.

21.2 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, an amount of Rs.16 Crore will be allocated during the four years period. 25 % of 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.

22. MIS Package, Application Tracking System, E-Portal and other supporting packages

22.1 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.

22.2. 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.

23.1 Proposed Estimated Targets under PMEGP

1. An outlay of Rs.8060 Cr. (Rs. 7800 Cr. Margin Money subsidy + Rs 260 Cr. under Backward and Forward Linkages) has been approved for PMEGP in the 12th five year plan to set up 3.39 lakh projects (@ 2.3 lakh margin money per project) with creation of 27.12 lakh employment @8 persons per project).
2. To begin with, the targets would be distributed between KVIC, State KVIBs and State DICs in the ratio of 30:30:40 to ensure comparatively greater emphasis to micro enterprises in rural areas. The margin money subsidy would also be allocated in the same ratio. DICs will ensure that at least 50% of the amount allocated to them will be utilized in the rural areas.
3. The annual allocation of targets would be issued State-wise to the implementing agencies.

23.2 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 targets under PMRY and REGP in 2007-08;
- (iv) Extent of recovery of loans under PMRY and REGP in 2007-08;
- (v) Population of State/Union Territory; and
- (vi) Availability of traditional skills and raw material.

23.3 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. KVIC will identify the Nodal Bank Branches in consultation with State Governments and place the Margin Money (subsidy) with these branches both for rural and urban areas. 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 REGP 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 250 backward districts identified by Planning Commission), 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. From the second year (i.e., 2009-10) onwards, 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	Weightage 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 of REGP	30 %	-

24. 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 vide their letter RPCD.No.PLNFS.BC.57/06.04.01/2001-2002 dated 16th January, 2002.

25. Registration

Registration with the KVIC/KVIBs/State DICs under the Scheme is voluntary. 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.

26. 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.

27. Monitoring and evaluation of PMEGP

27.1 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.

27.2 Role of KVIC

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.

27.3 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.

28. Evaluation of the Scheme

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.

29. 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.
- 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
- 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.
