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No.PMEGP/Policy/2020-21

Date: 06.05.2020

CIRCULAR

Sub: Simplification in PMEGP Scheme procedures - selection of application and flow of application through PMEGP e-portal - further simplification/strengthening..... reg.

This is in continuation to this office Circular dated 21.05.2018 regarding modified PMEGP Scheme guidelines and subsequent Circulars issued from time to time. In this regard, the Ministry of MSME has amended/modified in the existing Scheme guidelines as detailed under :

2. It is to inform that, Ministry of MSME vide letter dated 28.04.2020 informed that in order to further streamline the process of selection and to expedite the flow of applications under PMEGP, the Ministry has decided that the role of District Level Task Force Committee (DLTFC) as constituted under Clause 11.9 of the Scheme guidelines is discontinued, for recommendation of proposal/applications to financing banks. The role of DLTFC should be limited to monitor the performance of PMEGP Scheme on the quarterly basis in their respective districts as per the Clause at 11.10 of Annexure-I.
3. The State/District level implementing agencies viz. KVIC, KVIB and DICs after receiving the applications will scrutinize the applications preliminary, examining the personal and factual details mentioned in the applications/ project reports and the corrected and complete applications alongwith the detailed project report may be forwarded by the implementing agencies directly to the Banks for taking credit decision. The Complete/ corrected applications must be forwarded to the Banks as soon as possible and in no case later than three weeks of receipt of applications by the implementing agencies. Banks are presently examining the applications both technically and financially and sanction the applications for loans as per their rules and norms. They will receive the applications directly from the implementing agencies, examine them and sanction the loans as per the existing procedures.

Contd....2/-

4. Further, the Ministry vide the aforesaid letter has informed that a scoring sheets as already mentioned in Clause 7 and Clause 11.8 of the existing Scheme guidelines may be developed by KVIC, immediately, in consultation with the Bankers Association of India and uploaded on the PMEGP-e-portal, which would enable the implementing agencies to scrutinize the applications and forward them to the banks based on a minimum prescribed marks scored by the applicant. The scoring sheet will also enable the applicants to judge their applications at their level and if the application is not upto the mark as per the prescribed score, the applicant may improve his project and re-submit the application in due course after making necessary improvements. The details of Score Card duly prepared and received from Indian Bank Association (IBA) is attached herewith at Annexure-2 for implementation.

5. Consequent to the above decision, necessary modifications have been made in Clause 7, Clause 11.8, Clause 11.9, Clause 11.10, Clause 11.11, Clause 11.12 and Clause 11.13 of the existing Scheme guidelines. Clause 11.18 and Clause 25 have also been modified slightly. The revised modifications are attached herewith.

6. It is therefore, requested to convey the above decision to all implementing agencies at State/District level and all other stakeholders for immediate necessary action accordingly. KVIC is in process to develop the scoring sheet as mentioned in para 3 above and upload the same on the PMEGP e-Portal.

7. All the PMEGP applications presently available and pending at DLTF level may also be withdrawn by the concerned implementing agencies and forwarded to the banks immediately for taking credit decisions.

8. It is, therefore requested that, the above directives may be taken note for compliance and requested to ensure that the above modifications may be implemented immediately for the current financial year 2020-21 by all concerned.

This is issued with the approval of Competent Authority.


(M. RAJAN BABU)
DY.CEO (PMEGP)

To,

1. All State/Divisional Offices, KVIC
2. All State/UT KVI Boards.
3. All Zonal Dy.CEOs. of KVIC.
4. All Director, Industries, State Govt.
5. All CMDs of Bank.