

The Modifications in PMEGP Scheme guidelines

7. Identification of beneficiaries:

The identification of beneficiaries will be done at the district level by **the State / district level implementation agencies viz.** KVIC/State KVIB and State DICs and Banks **etc.** The Bankers should be involved right from the beginning to ensure that bunching of applications is avoided. The applicants, who have already undergone training of at least 2 weeks under Entrepreneurship Development Programme (EDP) / Skill Development Programme (SDP) / Entrepreneurship cum Skill Development Programme (ESDP) or Vocational Training (VT) need not undergo EDP training again. Such applicants would also be given priority in selection.

Priority will also be given to the person affected by natural calamities/disaster in the areas which are declared as affected by "disaster" as defined under Section 2 (d) of the Disaster Management Act, 2005 (53 of 2005) by the Ministry of Home Affairs.

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

IBA in consultation with KVIC has devised a scoring model (score card), which is being used by Member Banks for PMEGP Cases. This scoring model shall also be **uploaded on the PMEGP – e-portal so as to be made available to the implementing agencies and applicants** for evaluating the applications received/submitted. This scoring model will form the basis for the selection of beneficiaries to be sponsored to the Banks. This scoring model will also be will also be displayed on the websites of KVIC and Ministry.

- 11.8 Within five working days of receipt of application, the nodal officer of KVIC, State KVIB and DIC shall interact with the applicant personally on telephone or personal meeting and confirm the receipt/ acceptance of the application for preliminary scrutiny. The nodal officer will do all the required correction in the application in consultation/cross checking with the applicant and also provide hand holding to the applicant at every stage. **The implementing agencies, after preliminary appraisal of the application will forward the complete/corrected applications directly to one of the financing bank opted by the applicant for taking credit decisions alongwith a copy to the Lead Bank Manager (LDM) for information and monitoring. The complete/corrected applications must be forwarded to the Banks as soon as possible in no case later than three weeks of receipt of application by the implementing agencies. Forwarding of applications must be on-line on PMEGP e-portal only.**

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

11.10 A Task Force, consisting of the following members, will be set up in each district to monitor the performance of implementation of PMEGP in their respective district on quarterly basis and submit report to the Commissioner/Principle Secretary (Industries) :

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 (To be nominated by Chairman/District Magistrate/Collector by rotation)	3 members
h	Director RSETI/RUDSETI	Member
i	General Manager, DIC of the District	Member/Convener

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

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

- i. Industry
- ii. Per Capita Investment
- iii. Own Contribution
- iv. Rural Areas (projects sponsored by KVIC/ KVIBs/DICs) and
- v. Negative List (Para 30 of the guidelines)

11.13 The Banks will either sanction or reject the loan application within a stipulated period. Sanction will be issued based on the online sanction letter and copies of the sanction order will be sent to the applicant (by e-mail/hard copy) as well as to KVIC/ KVIB/DIC within 30 days from the receipt of application from the District Agencies. The sanction letter will also be automatically forwarded to the concerned RSETI, or where there is no RESTI the authorized training centre, for conduct of EDP training in case where the applicant has not undergone the training. The applicants also be encouraged for online EDP Training through the online EDP Portal Udyami Entrepreneurship Development. (<https://www.udyami.org.in>) The prescribed EDP training is mandatory before releasing of loan by the Banks.

25. Rehabilitation of Sick Units

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

CREDIT SCORING CRITERIA - PMEGP

The model is based on a set of characteristics which are grouped as Personal, Business and Collateral.

The acceptable borrower should get a minimum score of 50 out of 100 for loan upto Rs.10 lakhs and for loan above Rs.10 lakhs minimum score of 60 out of 100.

Name of Firm/Borrower :**1. Personal details : (In case of non-individual details of main promoter to be captured)**

Sr. No.	Parameters	Maximum marks	Marks scored	Criteria	Marks
1	Age	6		25 to 40 18 to 24 41 to 49 50 & above	6 5 3 2
2	No. of dependents	2		Upto 3 > 3	2 0
3	Owing a house/parental house	5		Yes No	5 2
4	Residing at the same address/location	5		5 years and above 2-5 years Less than 2 years	5 3 2
5	Academic qualification	4		Graduation Intermediate or More Metric Below Metric	4 3 2 1
6	Experience in the line of trade	8		= > 3 years 1 to 3 years < 1 year Nil	8 6 3 0
7	Any other source of Income incl. family	5		Yes No.	5 2
8	Assessed for Income Tax	2		Assessed Not assessed	2 1
9	Have life insurance policy (PMSBY, PMJJBY, APY or any other insurance policy) *Point 1 for each, max 3)	3		Yes No	* 0
	MARKS SCORED	40			

2. New Venture/Firm

Sr. No.	Parameters	Maximum marks	Marks scored	Criteria	Marks
1	Relationship with lending Bank	5		Above 3 years 1 to 3 years < 1 year New	5 3 2 1
2	Credit History	5		Very Good Satisfactory No history	5 4 3
3	Location advantage (availability of infrastructure, raw materials, labour, proximity to markets etc.)	5		Yes No	5 3
4	Skill Certification Course/RSETI/ITS/Computer Knowledge	5		Yes No.	5 2
5	Marketing Tie Ups for sale of products	5		Yes No	5 2
6	Line of activity	5		Mfg/Service Trade & Others	5 3
7	Registered with Govt. authorities viz for sales Tax/Vat/licence from local bodies/shop act etc.	5		Yes No**	5 3
8	Repayment period (not applicable for only working capital loans)	5		Upto 5 years Above 5 yrs	5 3
9	Employment Generation	5		Above 5 3 to 5 Self employed	5 3 2
10	Avg. DSCR (not applicable for working capital loans)	5		> 2 1.5 to 2 < 1.5	5 3 2
	MARKS SCORED	50			

**** To be followed up and completed**

3. Security

Sr. No.	Parameters	Maximum marks	Marks scored	Criteria	Marks
1	Collateral securities coverage : Not covered under CGTMSE/CGFMU/CGSSI OR	10		100% & above 50% to < 100% Less than 50%	10 8 6
2	Covered under CGTMSE/CGFMU/CGSSI	10			10
	MARKS SCORED	10			

Appraised by

Approved by

Name

Date