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**DIRECTORATE OF PMEGP/REGP  
KAHDI AND VILLAGE INDUSTRIES COMMISSION  
IRLA ROAD, VILE PARLE (WEST), MUMBAI – 56**

No.REGP/PMEGP/Scheme/2008-09

Dt. 01-10-2008

**STANDING ORDER NO.1673**

**SUB:- Implementation of Prime Minister's Employment  
Generation Programme (PMEGP) - reg.**

Consequent upon the approval communicated by the Ministry of MSME, Govt. of India and subsequent decision taken by the Commission in its 561<sup>st</sup> meeting held on 24-9-2008, following guidelines are issued for implementation of PMEGP scheme through KVIC, KVIB and DICs.

1. KVIC will be the nodal agency at National level for implementation of PMEGP scheme. The scheme will be implemented through KVIC field offices & KVIBs in the rural areas of the country and through DICs in both rural and urban areas.
2. KVIC will provide State/Division/UT wise physical and financial targets in respect of No. of Projects, Margin Money (Govt.subsidy) and Employment to be generated through its field offices as well as through KVIBs and DICs every year.
3. The State/Divisional Directors of KVIC, CEO/Managing Director, KVIB and Director of Industries (for DICs) will reallocate the above targets Districtwise/Bankwise in consultation with SLBC. While doing so, they have to give more weightage for backward districts in the state. It should be ensured by DIC that atleast 50% of the target should be implemented in rural areas of the district.

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3. Commission will place funds (subsidy) as per the total States targets (inclusive of KVIC, KVIB and DICs) with the State Director, KVIC who will deposit the same in the main account of KVIC i.e KVIC-S.O- PMEGP main Account. It should be a Saving Bank Account in a Bank situated at the State Head Quarter. Thereafter, the State Director in consultation with KVIB, Directorate of Industries of respective State (for DICs) and SLBC will identify and open Nodal Branch Saving Accounts separately i.e KVIC – PMEGP, KVIB-PMEGP and DIC -PMEGP in each Public Sector Bank and release subsidy to these accounts proportionately from main account of S.O., KVIC. The State Director, KVIC will also intimate all the details of Nodal Branch Bank Account to the concerned authorities.
4. As regards the Divisional offices of KVIC, the Divisional Director will open a main account i.e KVIC-D.O-PMEGP in the 'town' where Divisional office is situated. Subsidy will be released by the Central Office to the said Account as per the target allocated. Further, he will also identify nodal branch of Public Sector Banks for placing Margin Money (Govt. Subsidy) in the pattern to be followed by State Offices mentioned above. Divisional Directors need not to open any account in favour of KVIB & DICs.
5. The State/Divisional Directors while identifying the nodal branches of Public Sector Banks will ensure that only such Banks who have good track and performance record are identified. While placing the Funds in the nodal branches, past performance of the Banks under REGP should be taken into cognigence.

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6. For the above purpose, the State Directors are authorized to open new S.B. Accounts in each identified nodal branches of Public Sector Banks in the name KVIC/KVIB/DICs separately with authorized signatories of respective offices. The Head of the Office of KVIB and DICc will identify the authorized signatories in respect of their accounts and intimate the same to the State Director, KVIC.
7. The Central Office of KVIC will release Margin Money (subsidy) to State/Divisional offices on quarterly basis and further releases to Banks should be done by the field offices only after obtaining expenditure statement, utilization certificate from the nodal branch of the Banks for the funds released earlier separately for KVIC/KVIB & DICs.
8. Each State/Divisional Directors, State KVIBs and Director of Industries of respective state should reconcile the accounts on monthly basis with nodal branches of the Banks and monthly report on reconciliation be furnished to Director (Accounts), KVIC, Mumbai as well as to Director (REGP) by 15<sup>th</sup> of every month for the preceeding month under intimation to respective State Director of KVIC.
9. The State/Divisional Directors are directed to render Accounts Statements placed with them on quarterly basis to the Director (Accounts) and in no case, it should be allowed to accumulate. This has to be ensured by them from the beginning itself to avoid a situation of unsettled account.

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10. The interest earned from the main account, nodal branch accounts of KVC/KVIB/DICs on unspent balance of PMEGP accounts is to be remitted to Director Accounts on half yearly basis without fail by 31<sup>st</sup> July for the first six months and by 31<sup>st</sup> January for second six months.
11. All the nodal branch accounts so opened shall be non operative (without cheque facility) i.e. adjustment should be only through letter of correspondence.
12. KVIC keeps separate fund under Forward and Backward Linkages which will be released separately. However, this fund will be released in favour of DICs only after obtaining an undertaking from the State Government that the funds already provided under the erstwhile PMRY Scheme's Training and Pre motivational campaigns have been fully utilized by the DICs.

This will come into force with immediate effect.

  
(J.S.Mishra)

**CHIEF EXECUTIVE OFFICER**

**The above is being sent to the following for necessary action:**

1. All Principal Secretaries of Industries/IDC/Secretary, Industries of State/UT Administration
2. All State/Divisional Directors of KVIC
3. All State/UT KVI Boards

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**Copy for information to :**

1. All Members of the Commission
2. P.S. to Chairperson
3. OSD to CEO Cell
4. A.O., F.A. Cell
5. A.O., Vigilance cell
6. Jt. Secretary, Ministry of MSME, Govt. of India, Udyog Bhavan,  
New Delhi – 110 011.
7. All Zonal Dy. CEOs, KVIC
8. General Manager (RPCD), Reserve Bank of India, Mumbai
9. CMDs of 27 Public Sector Banks.
10. CEO, CGTMSE, Mumbai.
11. Director (Accounts), KVIC
12. Director (REGP), KVIC
13. Director (Finance), KVIC
14. All Industry/Programme Directors, KVIC
15. PRO, KVIC
16. Director (Publicity) with a request to publish in 'Jagriti'
17. Director (IT) with a request to put in web-site of KVIC-REGP.

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**CHIEF EXECUTIVE OFFICER**