



Khadi and Village Industries Commission

Ministry of Micro, Small, & Medium Enterprises

Government of India

"Gramodaya' 3 Irla Road, Vile Parle (West),

Mumbai-400 056

Tel Fax : 022-26714370



No : PMEGP/Online/2016

Date : 03.08.2016

CIRCULAR

New online system for PMEGP has been introduced from 01.07.2016 whereby the applications will be online and the processing also will be done online including disbursement of margin money subsidy. However, there are pending margin money claims lying with financing bank branches to the tune of approx Rs. 238 crores pertaining to the period prior to 01.07.2016, this needs settlement.

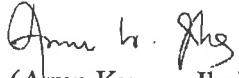
2. Accordingly, the following modalities have been decided for settling pending PMEGP margin money claims available with the financing bank branches pertaining to the period prior to 01.07.2016 :-

- (i) State/Divisional Directors will collect all such pending margin money claims from financing bank branches under their jurisdiction. Assistance of Nodal banks and State level SLBC convener may be taken for this purpose as well as follow up through Bankers meeting and Nodal banks.
- (ii) CMDs of Banks will be requested by KVIC to instruct zonal controllers to direct the financing bank branches to submit their margin money claims to the concerned State/Divisional offices of KVIC immediately. Further emails will be sent to all the financing bank branches on the subject directly from e-tracking system which has the database of financing bank branches with email id's.
- (iii) The financing bank branches will have to forward the pending margin money claims alongwith a certificate certifying that the margin money claims have been scrutinized by them and they fulfill all the PMEGP norms (copy enclosed).
- (iv) The State Directors will validate the margin money claims by linking the claims with the unique id and the data available in the e-tracking system and will update the data in the separate portal created for the after validation at their end. This will be forwarded to the Director PMEGP online to be transferred to Corporation bank for disbursement.

...pg...2.

:2:

- (v) Corporation Bank will disburse margin money subsidy against the claims received in the portal and also provide a report in the prescribed format.
- (vi) A view will be given to Directorate of PMEGP who will monitor the entire transaction.
- (vii) Directorate of Accounts will release margin money subsidy towards the pending claims to Corporation Bank PMEGP Account for this purpose.
- (viii) State/Divisional Directors should take up the above assignment on priority basis and immediately have meeting with the Nodal Banks and SLBC Convener to collect the margin money claims from Financing Bank Branches alongwith the requisite certificate. Thereafter enter the data in the portal for validation of the claims within 15 days.
- (ix) To enter the data in the portal log on to www.corpbanknet.com. 2 passwords will be issued to each State/Divisional office, one for person entering the data and the other password for the officer checking and authorizing the data. Passwords will be issued by separately
- (x) Zonal Incharges should monitor compliance.


(Arun Kumar Jha)
Chief Executive Officer

To:
All State and Divisional Directors of KVIC
for strict compliance

Copy to :

1. Principal Secretary Industries
2. CMDs to Banks
3. Zonal Incharges

Annexure – I

To be given in the letterhead of the Bank

CERTIFICATE

**Format of Certificate to be furnished by Financing Bank Branches
alongwith submission of pending PMEGP margin money claims**

UNDERTAKING

This is to undertake that the margin money claims being submitted for Rs. _____ in respect of _____ number of projects sanctioned by this Bank have been verified and have been found fulfilling of the norms of PMEGP claims.

Therefore, the margin money claims may kindly be settled by KVIC by releasing margin money subsidy to the Transient Account number _____ of this Bank.

Manager of Financing Bank Branch :
Mobile Number :
(With seal)

MOST IMMEDIATE

FROM: DIRECTOR (PMEGP) KVIC, MUMBAI

TO: ALL STATE / DIVISIONAL DIRECTORS, KVIC.

**COPY TO: 1. O.S.D. to CEO Cell, KVIC, Mumbai
2. Dy. CEO PMEGP, KVIC, MUMBAI FOR KIND
INFORMATIO
3. ALL ZONAL DY.CEOs FOR KIND INFORMATION AND
MONIOTORING.**

**SUB: UTILISATION OF MM FUND AGAINST THE SANCTION
BUDGET OF 2016-17.**

AS YOU ARE AWARE THAT ONLINE DBT SYSTEM IS INTRODUCED FROM 1ST JULY 2016. YOU ARE REQUESTED KINDLY FURNISH THE BI-WEEKLY STATEMENT AS ON 30.6.2016 AND CONFIRM THE SAME AS IT IS THE FINAL FIGURES OF UTILIZATION OF MARGIN MONEY AND THE SAME WILL BE FREEZED AS ON 30.06.2016.

FURTHER THE BI-WEEKLY AFTER 30.06.2016 i.e. FROM 1ST JULY ONWARDS THE BI-WEEKLY AND ALL REPORTING SHOULD BE ONLINE SYSTEM. MEANWHILE YOU ARE REQUESTED TO RECONCILE THE PMEGP ACCOUNTS MARGIN MONEY AS WELL AS B&F LINKAGES WITH THE AUDIT STAFF AVAILABLE IN THE STATE/DIVISIONAL OFFICE.

THIS MAY BE TREATED AS MOST URGENT AND YOUR REPORT SHOULD REACH BY THIS DIRECTORATE ON **4TH AUGUST 2016** MORNING POSITIVELY TO ENABLE THIS DIRECTORATE TO PLACE BEFORE HIGHER AUTHORITIES OF KVIC AS WELL AS MINISTRY OF MSME.


DIRECTOR (PMEGP)

NO. PMEGP/TARGET/BE/MM/2016-17

DATE: 03.08.2016



Khadi and Village Industries Commission

Ministry of Micro, Small, & Medium Enterprises
Government of India

"Gramodaya' 3 Irla Road, Vile Parle (West),
Mumbai-400 056

Tel Fax : 022-26714370



No : Dy. CEO (KSR) Cell/Disbg & validg/2016

Date : 25.10.2016

CIRCULAR

Sub : Guidelines for disbursing and validating margin money claims through PHEMEP online system reg..

The new PHEMEP online system has been introduced by the Ministry of MSME from 01.07.2016 and detailed guidelines have also been issued by the Ministry vide O.M. No. PHEMEP/Policy/1/2015 dated 06.05.2016 of Dy. Secretary, Ministry of MSME.

2. As per the process flow detailed in the guidelines after the sanction and release of first installment by the financing bank branches, the margin money claims will be submitted online to KVIC PHEMEP which will validate and upload the claims in the Corporation Bank portal for disbursement. The validation by the PHEMEP, KVIC will be done within 3 working days from the receipt of the margin money claims. Corporation Bank will disburse the margin money subsidy to the concerned financing bank within 24 hours from the date of receipt of the claim to its portal.

3. Since the project target for 2016-17 is around 76000 projects (75872 numbers), to ensure that validation is fast and accurate by the Directorate of PHEMEP at Central Office, KVIC, Mumbai, the following modalities are laid down for implementation by all concerned. Inbuilt system checks have been incorporated in the online system at the stage of receipt of PHEMEP applications as detailed below -

- (i) Checking the project cost ceiling for manufacturing i.e. Rs. 25 lakhs and for service i.e. Rs. 10 lakhs.
- (ii) Checking the age of the applicant i.e. not less than 18 years.
- (iii) Calculation and check the margin money subsidy eligible on the project cost.

..2/-

- (iv) Check the own contribution required for the project.
- (v) Regarding negative list at present there is no system check for this parameter. However, it is proposed that for individuals and institutions under type of activity head a small Note may be inserted as detailed below -
“Activities which are banned and not covered under PMEGP, are detailed in FAQ”

Therefore at the first stage of receipt of applications, the above checks will be ensured by the system and will also be verified at the level of the concerned Implementing Agencies.

4. As per the scheme guidelines, scrutiny is to be done at the level of the Implementing Agencies and includes personal interaction with the applicant so that the application is checked viz-a-viz the scheme eligibility norms. After the personal interaction, during which corrections/revisions can also be incorporated in the application, the corrected applications is forwarded to the convener, DLTF. Thus the 2nd check is at the level of Implementing Agencies through scrutiny of the application as well as personal interaction with the applicant.

5. The applications are forwarded to District Level Task Force Committee which scrutinizes the applications, taking into consideration the scheme norms and viability of the project. This is the 3rd level of checking of the application viz-a-viz the scheme norms. The applications are forwarded by DLTF to the financing bank which will examine the project proposals.

6. The Bank will appraise the projects and take their own credit decision on the basis of viability of each project. They will appraise projects both technically and economically after ensuring that each project fulfills inter alia the criteria of -

- Industry
- Per Capita Investment
- Own contribution
- Rural Areas (projects sponsored by KVIC/KVIBs/DICs) and
- Negative List (para 29 of the guidelines)
- 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.

This will be the 4th level of scrutiny.

7. Bank sanctions projects and forward the margin money claim after ensuring that EDP has been conducted and ensuring release of first installment of the loan, the online claims form will be automatically checked for the fulfillment of two conditions (i) the date of release of first installment is prior to the date of filing of Margin Money subsidy claim and (ii) the amount of first installment released is more than the Margin Money subsidy amount claimed.

8. The claim will be sent to Directorate of PMEGP online and the modalities for checking the claim at the level of Directorate of PMEGP will be as follows -

- (i) On receipt of online claim to Directorate of PMEGP the claim will be checked by checker (officials identified for this purpose by Directorate of PMEGP) and will be authorized/validated by Director (PMEGP).
- (ii) The validation will be on the following parameters with the help of the online inbuilt system check.
 - Own contribution
 - Negative list
 - Ensuring the project is within the project ceiling stipulated in the scheme for manufacturing and service.
 - Margin money subsidy in proportion to loan installment released as well as project cost.
 - EDP conducted.

9. The validation by the Directorate of PMEGP, KVIC, Mumbai will be on the above core areas only and all other parameters/areas need to be checked and monitored at different levels of operations at the level of the Implementing Agencies, DLTF and Banks based on the laid down norms of the scheme.

10. Director (PMEGP) should ensure that the validation should be completed within 3 working days from the receipt of the margin money claim and validated claims should be forwarded to the Corporation Bank portal and claims which have some deficiency/shortcomings will be returned back to the concerned financing bank and a copy sent to the concerned State/Divisional Directors for rectification.

11. The above guidelines will be strictly complied by all concerned. Directorate of IT and Directorate of PMEGP to take further necessary action.




Chief Executive Officer

To,

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

Copy for kind information to-

1. Jt. Secretary, Ministry of MSME, New Delhi
2. OSD to Chairman, KVIC
3. OSD to CEO, KVIC
4. Jt. CEO, KVIC, New Delhi
5. Director, CVO Cell, KVIC, Mumbai
6. FA Cell, KVIC, Mumbai
7. Dy. CEOs in Central Office, Mumbai
8. All Zonal Dy. CEOs, KVIC.
9. All Industry/Programme Directors, KVIC, Mumbai
10. Director (IT) with a request to place the Circular on KVIC/PMEGP website.
11. Director (Publicity) with a request to publish the same in the ensuing "JAGRITI".
12. Director (Hindi Cell) for translation in Hindi
13. Master file for record.



Chief Executive Officer