



कामधे दुखतागानम।  
प्राणिनाम् अतिनिश्चयम्॥



सत्यमेव जयते

# खादी और ग्रामोद्योग आयोग

KHADI AND VILLAGE INDUSTRIES COMMISSION

सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय, भारत सरकार

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

No.PMEGP/Policy/20-21

Date: 06.07.2020.

## C I R C U L A R

### **Sub: Diversification of products by REGP/PMEGP units – Reg.**

Prime Minister's Employment Generation Program (PMEGP) was launched in the year 2008 and assisted to set up more than 6.00 lakhs units since then. KVIC conducted evaluation study through third party on various occasions and its reports reveals that More than 80% of the units are working successfully in the country and not only producing high quality village industry products but are also providing employment in rural/urban areas. Several such units have successfully repaid their loans and also have diversified their activities in terms of production and sales.

2. Enquiries are being received from the PMEGP/REGP entrepreneurs for granting permission to increase their products lines to diversify their businesses and to increase the economic viability of the units according to market needs and the prevailing circumstances in their areas.

3. These units are broadly classified under Village Industries in seven categories such as Argo Based Food Processing Industry, Bio-Technology and Rural Engineering Industry, Forest Based Industry, Hand Made Paper & Fibre Industry, Polymer & Chemical Based Industry, Mineral Based Industry and Textile & Service Industry.

4. As per the current policy, the Bhavan managers only keep those products for sale in their Bhavans which are listed in their sanctioned letter at the time of setting of the unit. It has come to the notice that several such units have diversified their product range and are selling it in the open market. It is reported that several such units have approached KVIC sales outlets to grant permission to keep such diversified products in Bhavans also.

**Contd.....2/-**



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5. The above issue was also discussed in detail in the 10<sup>th</sup> Meeting of National Khadi and Village Industries Board (NKVIB) held on 22.01.2019 under the Chairmanship of Hon'ble Minister of State (IC), MSME. During the meeting, it was decided that the existing PMEGP/REGP enterprises can diversify their activities but diversification must be within the same group of Village Industries of KVIC as specified at point number 3.

6. Keeping in mind, the representations made by the PMEGP/REGP units and the decision taken by the NKVIB, it is decided that henceforth, the PMEGP/REGP units can produce allied products in the same vertical in their units based on market demand, availability of raw material and optimum utilization of available infrastructure and/or additional infrastructure created for the purpose without any permission.

7. For example, if a unit is registered for manufacturing of soaps and detergents, it can produce sanitizers, hand wash, shampoo and other such related items. Similarly, if a unit is registered with production of Kacchi Ghani mustard oil, it can diversify into producing any edible oil. Similarly, if a unit is registered for manufacturing of biscuits and pastries, it can also diversify into making any bakery items.

8. However, in no circumstances, diversification from one vertical to the other vertical will be allowed. For example, if a unit is sanctioned and established for stone cutting and grinding, cannot diversify in to making food items claiming that they have created new infrastructure in their campus.

It is therefore decided that the PMEGP/REGP units are permitted to manufacture and supply the diversified product in the open market as well as KVIC/KVIB sales outlets henceforth facilitating the PMEGP entrepreneur to increase the viability of their units. Such units will be required to furnish a self-declaration to respective State Director pertaining to the diversified product range, its quality parameters and additional infrastructure, if any created for the purpose. Such units will be subject to inspection by KVIC, without notice.

**Contd.....3/-**



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**: 3 :**

This is issued with the approval of Competent Authority for compliance.

(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.

### 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, Mumbai
5. OSD to CVO Cell, KVIC, Mumbai.
6. OSD to FA Cell, KVIC, Mumbai
7. Dy.CEOs in Central Office, KVIC, 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/PMEGPwebsite.
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.

DY.CEO (PMEGP)



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