

Annexure-I
Prime Minister's Employment Generation Programme
(PMEGP)

The Government of India has introduced Prime Minister's Employment Generation Programme (PMEGP) which is a credit linked subsidy programme to generate employment in rural as well as in urban areas of the State. The scheme shall be implemented in the rural areas by KVIC/KVIB and in the urban and rural areas by the District Industries centre. The scheme shall be monitored by the Ministry of Micro, Small and Medium Enterprises, Government of India.

Levels of Funding under PMEGP

Categories of beneficiaries under PMEGP	Beneficiaries Contribution (of project cost)	Rate of subsidy(of project cost)	
		Urban	Rural
Area (location of the unit)			
General category	10%	15%	25%
Special Category (including SC/ST /OBC /Minorities / Women/ Ex-servicemen / physically handicapped	5%	25%	35%

- Note**
1. Maximum cost of the project under manufacturing sector shall be Rs 25 lakhs
 2. Maximum cost of the project under service sector shall be Rs 10 lakhs.
 3. The balance amount of the total project cost shall be provided by the Banks as term loan.

Eligibility conditions of the Beneficiaries

1. Any individual above 18 years of age.
2. No income ceiling for assistance.
3. For setting up of projects above Rs 10 lakhs for manufacturing sector and Rs 5 lakhs for service sector. Minimum educational qualification is VIII std.
4. Only new units are eligible for assistance.
5. Self Help Groups (who have not availed assistance under any scheme) are eligible
6. Institutions registered under Societies Registration Act,1860 are eligible
7. Cooperative Societies and Charitable Trusts are eligible.

Terms and conditions of the scheme

1. The project cost can be maximum Rs 25 lakhs for the manufacturing sector and Rs 10 lakhs for the service sector.
2. The project cost will include capital expenditure and one cycle of working capital. Projects without capital expenditure are not eligible for assistance. Projects above Rs 5 lakhs, which do not require working capital, require clearance from the controlling offices of the Banks.
3. Cost of the land should not be included in the project cost. The ready built shed/workshop can be included in the project cost.
4. PMEGP is applicable to all new viable projects except those included in the negative list of activities. The negative list includes:-
 - A) Any industry connected with Meat (Slaughtered) i.e. processing canning and/or serving items made of it as food. Production or sales of intoxicant items such as Beedi/Pan/Cigar/Cigarette etc. Any Hotel or Dhaba or sales outlet serving liquor, preparation/producing tobacco as raw material, tapping of toddy etc.
 - B) Any activity connected with cultivation of crops (agriculture), Horticulture, Floriculture, Animal Husbandry.
 - C) Manufacture of Polythene bags of less than 20 microns, manufacture of carry bags or containers made from recycled plastic or any other item, which causes environmental problems.
 - D) Khadi and other similar activities which are covered under Khadi programme.
 - E) Rural transport (Except cycle rickshaw)
5. The KVIB/KVIC shall implement the programme in all areas except within the municipal limits of Panaji, Margao, Mapusa and Vasco. These urban areas shall be covered by the District Industries Centre for implementation of PMEGP
6. The project shall have to generate employment to one person after every Rs 1.00 lakh invested in fixed assets.

Modalities of PMEGP.

1. The Beneficiaries shall submit the proposal in the prescribed format along with other documents.
2. The proposals shall be placed before the District Level Taskforce constituted for scrutiny of the proposals. The Task force may call the applicants for interview on the stipulated day.

3. After the approval of the Task force, the proposals shall be forwarded to the Bank selected by the applicant. All public sector Banks are covered under PMEGP
4. The Bank shall appraise the proposals technically and economically and shall take its own credit decision after ensuring that the projects fulfill the criteria of the PMEGP.
5. No Collateral security shall be insisted upon in line with the guidelines of the RBI for projects up to Rs 10 lakhs.
6. Normal rate of interest shall be charged by the Banks. The repayment schedule may range between 3 to 7 years after an initial moratorium as may be prescribed by the Bank.
7. After the project is sanctioned by the Bank, the beneficiary shall be deputed for EDP training at the designated EDP centers for undergoing training of two weeks. Those who have undergone such training through reputed training centers need not be deputed for the training.
8. After completion of the EDP training the beneficiary shall deposit 5% or 10% own contribution with the Bank. Thereafter the Bank shall release the first installment of loan.
9. After the release of the Bank finance either partly or fully, the Bank shall forward the margin money claim to its nodal branch in Panaji, in the prescribed format. The nodal branch shall remit the margin money to the financing Bank.
10. The margin money released by the nodal branch shall be kept as the TDR in the financing Bank for a period of three years in the name of the beneficiary, which shall be adjusted after three years from the date of first disbursement of loan with the consent of the KVIC/KVIB/DIC.
11. The margin money is a one-time assistance. For any enhancement of credit, the margin money shall not be available. Only one project shall be sanctioned in one family (family is defined as person and the spouse)
12. Though the margin money is released, the KVIC/KVIB/DIC will be the final authority to accept or reject the project/subsidy based on the parameters of the scheme. The KVIC/KVIB/DIC shall have the right to recall the subsidy if the project fails to fulfill the criteria of the scheme.
13. All the units assisted under PMEGP should display a sign board indicating that the unit is assisted under PMEGP.

14. All units shall be physically verified by the officials of the KVIB/KVIC/DIC or any other agency authorized for undertaking such verifications.

Contact :- Khadi and Village Industries Board
2nd floor, 2nd lift, Junta House,
Panaji Goa. Tel:- 2221452

Alleluia Apartments,
Margao-Ponda Road,
Near Bank of India,
Fatorda Margao Goa. Tel:-2740081