

Frequently asked questions (FAQ) on PMEGP scheme

Q. What is maximum project cost allowed under PMEGP?

A. Rs.25.00 lakhs for manufacturing unit and Rs.10.00 lakhs for Service Unit

Q. Whether cost of land includes in the project cost?

A. No.

Q. How much Margin Money (Govt. Subsidy) admissible?

Categories of beneficiaries under PMEGP	Rate of (Margin Money) Subsidy (of project cost)	
--	---	--

Area (location of project/unit)	Urban	Rural
--	--------------	--------------

General Category	15%	25%
-------------------------	------------	------------

Special (including SC / ST / OBC / Minorities/Women, Ex-servicemen, Physically handicapped, NER, Hill and Border areas etc.	25%	35%
--	------------	------------

Q. What is the component of project cost?

A. Capital Expenditure Loan, one cycle of working capital and 10% of project cost as own contribution in case of General category and 5% of project cost in case of weaker section.

Q. Who are the beneficiaries?

A. Individual Entrepreneurs, Institutions, Co-operative Societies, Self Help Groups, Trusts

Q. Which are the financial agencies?

A. 27 Public Sector Banks ,Regional Rural Banks(RRB), Co-operative Banks and Private Scheduled Commercial Banks approved by respective State Task Force Committee.

Q. How the capital expenditure loan / Cash Credit Limit be utilized ?

A. Working Capital at least once should touch 100% limit of Cash Credit within three years of Lock-in period of M.M. and not less than 75% of the utilization of the sanction limit on an average.

Q. Where the beneficiary has to submit his/her application/ Project?

A- Beneficiary can submit his/her application/Project online on kvic website www.kvic.org.in / kviconline.gov.in/pmegportal. List of office addresses of KVIC/KVIB/DIC are available at our website.

Q. What is Village Industry ?

A. Any Village Industry (except those mentioned in the negative list) located in the Rural Area which produces any goods or renders any service with or without the use of power and in which the fixed capital investment for head of a full time artisans or worker does not exceed Rs.1.00 lakh in plain area and Rs.1.50 lakhs in hilly areas and for A & N Island and Laxdeep Rs.4.5 Lakhs.

Q. What is rural area ?

A. Any area classified as Village as per the revenue record of the State, irrespective of the population. It also includes an area even if classified as town provided its population does not exceed 20000

Q. What is Age limit ?

A. Any adult beneficiary above 18 years is eligible for financing under PMEGP.

Q. What are the main criteria of project?

A. It should fulfil the criteria of rural area (for Rural Area project), per capita investment, own contribution, negative list and the unit should be new one

Q. Whether EDP training is compulsory?

A. Before MM Claim through PMEGP e-portal ,EDP training of 10 working days for Project cost More than 5.00 lakhs and 6 Working days training for upto Project Cost 5.00 lakhs to the beneficiary is compulsory

Q. Whether collateral security is mandatory?

A. As per RBI guidelines the project costing upto Rs.10.00 lakhs under PMEGP loans are free from collateral security. The CGTSME provided collateral guarantee for the project beyond Rs.5.00 lakhs and upto Rs.25.00 lakhs under PMEGP scheme.

Q. What is the helpline for the beneficiary in preparation of the project ?

A. 30 model projects uploaded on kvic.org.in website

Q. Whether an entrepreneur can submit more then one project ?

A- No

Q. What is the definition of family ?

A- Husband and spouse.

Q. Whether Unit can be set up in urban Area.

A- Yes through DIC only.

Q. Whether existing unit can avail funds under PMEGP ?

A - No, only new unit .

Q. Whether model projects are available with KVIC.

A - yes, Industry wise model projects are available at kvic.org.in

Q: where training centers are available to undertake EDP?

A - List of EDP training centers including 582 training center of RSETI/RUDSETIS are available at our website kvic.org.in

Q. What is lock in period for Govt. Subsidy?

A- 3 years.

Q:- Can project be financed jointly from two different sources (Bank/Financial Institutions)?

A - No, it is not eligible.

Q:- How much own contribution to be deposited?

Categories of beneficiaries under PMEGP	Beneficiary's contribution (of project cost)
--	---

General Category	10%
-------------------------	------------

Special (including SC / ST / OBC	05%
---	------------

/Minorities/Women, Ex-servicemen, Physically handicapped, NER, Hill and Border areas etc.