

Directorate of Industries, Mumbai

PROCEDURAL GUIDELINES OF

CHIEF MINISTER EMPLOYMENT GENERATION PROGRAMME (CMEGP)

1) **The Scheme:**

Government of Maharashtra has approved the introduction of a new credit linked subsidy programme called **Chief Minister Employment Generation Programme (CMEGP)** for generation of employment opportunities through establishment of Micro & Small Enterprises (project cost limited to Rs. 50 lacs) in rural as well as urban areas in the state.

2) **The Scheme Implementation:**

The Scheme will be implemented and monitored by Directorate of Industries (DOI), under the administrative control of Industries Department, Government of Maharashtra. The Scheme will be implemented through District Industries Centers (DICs), Maharashtra State Khadi and Village Industries Boards (KVIB) under the control of Directorate of Industries and also by banks. The subsidy under the scheme will be routed through DOI to the identified banks for eventual distribution to the beneficiaries/entrepreneurs in their bank accounts after the stipulated period.

3) **Vision:**

- i. To generate employment opportunities in rural as well as urban areas of the state through setting up of new self-employment ventures /projects /micro enterprises /small enterprises (project cost limited to Rs.50 lakhs).
- ii. To bring together widely dispersed traditional artisans/ rural and urban unemployed youth/ innovative/inventive/ pioneering ideas-ventures and give them self-employment opportunities to the extent possible, at their place of stay.
- iii. To provide continuous and sustainable employment to a large segment of prospective traditional artisans, start-ups, innovative/inventive/ pioneering ideas-ventures to rural and urban unemployed youths in the State, to help arrest migration of rural youth to urban areas.
- iv. To increase the wage-earning capacity of prospective traditional artisans and contribute to increase in the growth rate of rural and urban employment.

4) **Objectives:**

To establish 1,00,000 Micro and Small Enterprises in the next five years and achieve employment opportunities to 8-10 lakh youth in the State. The target for the first financial year 2019-20 is to establish 10,000 enterprises in the State.

To achieve this target in rural and urban areas, the Directorate of Industries (DOI) will distribute district wise target to both the agencies i.e. the District Industries Centers (DICs) and Maharashtra State Khadi and Village Industries Boards (KVIB) depending upon backwardness of the district, unemployment, availability of resources, upcoming technologies and population of districts, etc.

5) **Quantum and Nature of Financial Assistance, funding under CMEGP:**

Categories of beneficiaries under CMEGP	Beneficiary's Contribution (of project cost)	Rate of subsidy (of project cost)	
		Urban	Rural
Area (location of project/unit)			
General Category	10%	15%	25%
Special Category (includes SC / ST /Women/ Ex-servicemen / differently abled)	5%	25%	35%

Note:

- (1) The maximum cost of the project/unit admissible under manufacturing sector is Rs.50 lakh. However, if the actual project cost is higher than the prescribed limit and the applicant seeks to become eligible under the scheme by manipulation (by reducing the cost of project) then such projects/units will not be considered.
- (2) The maximum cost of the project/unit admissible under service , Agro-based/ Primary Agro processing sector, E-vehicle based goods transport and other businesses, single brand service ventures (single brand-based chains, mobile service ventures) is Rs.10 lakhs.
- (3) Beneficiary's Contribution in the project cost will be 5% to 10 % as per the Categories of Beneficiaries under CMEGP scheme and balance amount of the total project cost will be provided by Banks as term loan.

6) **Eligibility criteria under the scheme:**

- a) Any individual between 18 to 45 years of age. For Special category (including SC/ST/Women/ Ex-servicemen/Differently abled) age is relaxed by 5 years.
- b) Applicant(s) should be resident of Maharashtra. In case of birth outside Maharashtra, the applicant must possess domicile certificate.
- c) There will be no income ceiling to become eligible for availing financial assistance.
- d) The constitutions eligible for setting up new units/ventures established under the scheme are Proprietorship, Partnership and Self-Help Groups (SHG's) registered with respective authorities.
- e) For project/units cost between Rs.10 lakh to Rs.25 lakhs, the required educational criteria for the applicant is minimum 7th standard pass and for project/units above Rs.25 lakh the required educational criteria for the applicant is minimum 10th standard pass. The applicants

should also preferably possess respective / relevant skills required for the project.

- f) Only one person from a family will be eligible under the scheme. (Definition of family includes Self and spouse)
- g) Assistance under the Scheme is available only for **new projects/ventures**.
- h) Registered Self-Help Groups (including those belonging to BPL provided that they have not availed benefits under any other Central & State scheme) are eligible for assistance.
- i) Existing Units and units that have availed benefit under PMRY, REGP, PMEGP or any other subsidy linked scheme of Government of India or State Government and also units that have already availed Government Subsidy under any other scheme of Government of India or State Government are **not eligible** under the scheme.

7) **Other Eligibility Conditions under CMEGP:**

- a) For assistance as a Special Category, a certified copy of the caste / validity certificate or relevant document issued by the competent authority is required to be furnished by the applicant to the concerned implementing agency at the time of making application. Applicants with 21 types of benchmark disabilities covered under “The Rights of Persons with Disabilities Act, 2016” should furnish a valid disability certificate.
- b) A certified copy of registration of SHG / constitution of the firm (Registrar of Firms) of the proposed project / unit is required, wherever necessary.
- c) Cost of the land should not be included in the Project cost. Cost of the ready built-up work-shed/gala/workshop is admissible subject to maximum 20% of the total project cost.
- d) Long lease / rental Work-shed/Workshop/gala can be included in the project cost subject to restricting such cost to be calculated proportionately on a pro-rata basis for three years.
- e) Project cost will include Capital Expenditure (except cost of land) and one cycle of Working Capital. Projects without Capital Expenditure are not eligible for financing under the Scheme. Projects costing more than Rs.5 lakh, which do not require working capital, need clearance from the Regional Office or Controller of the Bank’s Branch and the claims are required to be submitted with such certified copy of approval from Regional Office or Controller, as the case may be.
- f) For Service sector & Agro based activities as specified above, new projects Work-shed/shop the maximum cost eligible is limited to 20% of total project cost whereas maximum working capital for such projects will be limited to a maximum of 30% of the total project cost.
- g) Assistance under CMEGP is applicable to all new viable micro, small enterprises (project cost limited to Rs.50 lacs) including Village Industries.
- h) SC & ST applicants will have reservation of 20% in the total yearly target.
- i) Women applicants will have reservation of 30% in the total yearly target.
- j) Differently abled applicants will have reservation of 3% as per the provisions of the Social Welfare Department GR dated 24.2.2019 in the total yearly target.

Note:

- 1) The SHGs registered as such specific SC/ST/Women/Differently abled/Ex-Servicemen SHGs or Composite, with necessary provisions in the bye-laws to that effect with concerned authorities are eligible for subsidy applicable to special category under the scheme. However, the SHGs not registered as special category as above, will be eligible for Subsidy applicable to general category.
 - 2) Only one person from the family is eligible for obtaining financial assistance for setting up of projects under CMEGP. The “family” includes self and spouse.
- 8) **Eligible Units under the scheme:**
- New Manufacturing, Service, Agro-based & Primary Agro processing activities, E-vehicle based goods transport and other businesses, single brand service ventures (single brand-based chains, mobile service ventures) sector projects/units, will be eligible under the CMEGP scheme. State level Monitoring and High-Power Committee will publish list of such eligible and non-eligible projects / units (Negative list) separately as and when required.
- 9) **Implementing Agencies:**
- a) The Scheme will be monitored and implemented by Directorate of Industries (DOI) which will be the nodal agency at the State level.
 - b) Under the administrative control of Directorate of Industries, the General Manager, District Industries Centers (DICs) will implement the scheme in urban areas and under the administrative control of Maharashtra State Khadi and Village Industries Boards (KVIB), the District Khadi and Village Industries Offices (KVIOs) will implement the scheme in rural areas. The implementing agency for project/unit cost of more than Rs.25 lakhs in urban as well as rural areas is District Industries Centre. Such proposals and Cluster linked proposals will be monitored and decided/ approved by the DOI, as and when required.
 - c) The overall coordination and monitoring of the scheme at the district level will be done by General Manager, District Industries Center (DIC).
 - d) Regional Joint Director will be responsible for overall monitoring & supervision in their respective regions.
- 10) **Associated Agencies**
- The details of other agencies to be associated with nodal agencies for speedy implementation of the scheme of CMEGP are as under:
- (i) Banks/ Financial Institutions.
 - (ii) Department of Women and Child Development (DWCD)
 - (iii) MAVIM.
 - (iv) Professional Institutions/Technical Colleges recognized by Government/University and University Grants Commission (UGC)/ All India Council for Technical Education (AICTE)

having department for vocational guidance or technical courses providing skill-based training like ITI, Rural Polytechnic, Food Processing Training Institute, etc.

- (v) Micro, Small and Medium Enterprises Development Institutes (MSME-DIs), MSME Tool Rooms and Technical Development Centers, under the administrative control of Office of Development Commissioner, MSME in the State.
- (vi) National Small Industries Corporation's (NSIC) offices, Technical Centers, Training Centers, Incubators and Training cum Incubation Centers (TICs) set up in PPP Mode in the State.
- (vii) National level Entrepreneurship Development Institutes like National Institute for Entrepreneurship and Small Business Development (NIESBUD), National Institute for Micro, Small and Medium Enterprises (NIMSME) and Indian Institute of Entrepreneurship (IIE), Guwahati under the administrative control of Ministry of MSME, their branches and the Entrepreneurship Development Centers (EDCs) set up by their Partner Institutions (PIs) in the State.
- (viii) COIR Board offices in the State.
- (ix) RSETI's in the state
- (x) Maharashtra Centre for Entrepreneurship Development (MCED), regional and district level offices in the State.
- (xi) MITCON Ltd., regional and district level offices in the State.
- (xii) Industrial Cluster's approved by Government of India or Government of Maharashtra.
- (xiii) Prominent Industrial Associations/ Chamber of Commerce and Industries at district level.

11) **Financial Institutions:**

- a) Public Sector Banks.
- b) All Regional Rural Banks in the State.
- c) Private Sector Scheduled Commercial Banks approved by State Level Monitoring Committee (SLMC) headed by Development Commissioner (Industries).

12) **CMEGP Portal:**

To implement a hassle-free CMEGP scheme the complete process is made online. A dedicated portal viz. <https://maha-cmegp.gov.in> has been developed for speedy and transparent implementation of the Scheme. The applicant must compulsorily apply on the portal only to respective implementing agencies for availing financial assistance. The application form on the portal is self-explanatory, providing guidelines/advisory tips to fill up the application form correctly. In case of any difficulty/query the applicant may approach the respective Implementing Agency at district level.

13) **Identification of beneficiaries and project sanction process:**

The identification of beneficiaries will be done at the district level by representatives from respective district level KVIB and DICs and Banks. The application received on the portal will be

scrutinized by District level Scrutiny & Coordination Sub-Committee headed by GM, DIC with LDM, KVIO, District Coordinator-MAVIM, Project Officer-Tribal Development, representative of major banks in the district and representatives of Industries Associations / Cluster as Members. The District Level Task Force Committee (DLTFC) would be headed by the District Magistrate / Deputy Commissioner / Collector of the concerned districts which will accord approval and recommend the proposals to respective banks. The Bankers should be involved right from the beginning to ensure that bunching of applications is avoided. The applicants who have already undergone training of at least two weeks under Entrepreneurship Development Programme (EDP) / Residential Entrepreneurship Development Programme (REDP) need not undergo EDP training again. Such applicants would also be given priority in the selection process by the DLTFC.

The generalized process flow of proposals received under the scheme will be as follows:

- a) The applicant must apply for financial assistance to respective implementing agencies on the dedicated portal viz. <https://maha-cmegp.gov.in> only. Under any circumstances / events receipt of physical applications will not be entertained by the implementing agencies.
- b) A District level Scrutiny and Coordination Sub-Committee (DLSCC) constituted under the Chairmanship of respective GM, DICs will scrutinize the applications and prepare a primary list of eligible applicants. The applicant may be called for counseling by DLSCC, if required.
- c) The primary eligible applicants list will be approved by DLTFC headed by the District Magistrate / Deputy Commissioner / Collector of the concerned districts and the same will be forwarded by GM, DIC (as a convener) to respective banks for further needful. However, the Banks will refer the application to the DLTFC for reconsideration, if it is observed that the project cost is exaggerated with a view to avail higher subsidy or for any other reasons deemed fit by the banks.
- d) The banks shall scrutinize and sanction the proposal depending upon financial and technical viability of the project and other related aspects as per prevailing norms as well as directives issued by the RBI from time to time.
- e) The bank will upload the detail sanctioned summary report with a copy of sanction letter on the portal. The bank will inform the applicant regarding specific EDP training depending upon category of activity. However, the applicants, who have already undergone training of at least 10 days under Residential Entrepreneurship Development Programme (REDP) / Entrepreneurship Development Programme (EDP) / Skill Development Programme (SDP) / Entrepreneurship cum Skill Development Programme (ESDP) need not undergo the EDP training again.
- f) After completion of EDP training (agencies approved by DOI) by the applicant, respective bank

will upload EDP training certificate on the portal alongwith the claim of Margin Money. The Margin Money claim will be allowed after disbursement of first installment of loan which would be equal to or more than Margin Money amount.

- g) Application processing, scrutiny, counselling, DLFC sanction, recommendation to bank, loan approval, etc. will be completed at district level. After sanction of loan by respective bank, GM, DIC must verify and validate the detail margin money summary report within 3 working days and forward the same to CMEGP cell at HO, DOI for further release of margin money for further disbursement. For necessary rectification, if required in the summary report the GM, DIC will send the proposal to respective bank and complete the validation within reasonable time.
- h) CMEGP cell will verify the details of the claim along with summary report and get it validated from controlling authority. The validated margin money claim will be forwarded to the Nodal Officer (CMEGP), Corporation Bank, Mumbai for onward disbursement to respective bank branch. The Corporation Bank will disburse the Margin Money claim to respective bank branch in real time and inform the same with necessary reports to CMEGP Cell.
- i) Margin money amount will be kept in respective loan account of the beneficiary as Term Deposit Receipt (TDR) for three years. Such TDR will not earn interest and the banks too would not charge any interest on equivalent amount of the loan component. After completion of three successful years of activity and following the timely repayment schedule as informed by the bank, the margin money in the form of grant-in-aid will be re-appropriated in the applicant's loan account after confirmation / necessary validation from GM, DIC.
- j) The entire application process at various stages would be fair, transparent and time-bound.

14) Bank Finance:

- 1) The Bank will sanction loan of 90% of the project cost in case of General Category of beneficiary/institution and 95% in case of special category of the beneficiary/institution and disburse full amount suitably for setting up of the project. The term loan disbursement shall either be one-time or phase wise depending upon the nature of the project.
- 2) Bank will finance Capital Expenditure in the form of Term Loan and Working Capital in the form of cash credit. Project can also be financed by the Bank in the form of Composite Loan consisting of Capital Expenditure and Working Capital.
- 3) Though Banks will claim Margin Money (subsidy) based on sanction of Capital & working capital expenditure of the project, the Margin Money (subsidy) if claimed in excess, must be refunded immediately to DOI, after the final disbursement.
- 4) Working Capital component should be utilized in such a way that at one point of stage it touches 100% limit of Cash Credit within three years of lock in period of Margin Money and not less than 75% utilization of the sanctioned limit. If it does not touch aforesaid limit,

proportionate amount of the Margin Money (subsidy) is to be recovered by the Bank/Financial Institution and refunded to the DOI at the end of the third year.

- 5) **Rate of interest and repayment schedule** - Normal prevailing rate of interest shall be charged. Repayment schedule may range between 3 to 7 years after an initial moratorium as may be prescribed by the concerned bank/financial institution. It has been observed that banks have been routinely insisting on credit guarantee coverage irrespective of the merits of the proposal. The proposal financed under the scheme has to be covered under Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE) of Govt. Of India and the State Government has collaborated with CGTMSE for the necessary coverage under the scheme.
- 6) State Level Bankers Committee will issue necessary advice/guidelines to the respective Banks to accord priority in sanctioning projects under CMEGP.

15) Urban areas and Rural areas:

The areas with less than or equal to 20,000 populations as per 2011 census are termed as rural areas, whereas area with more than 20,000 populations will termed as urban areas. The areas under Nagar Panchayats, Nagar Parishads, Industrial areas developed by MIDC / Other notified agencies having population less than or equal to 20,000 will also be classified as urban areas.

16) Modalities of online Process Flow of application and fund flow under the Scheme:

- a) Project proposals will be invited from potential beneficiaries at district level through press, advertisement, radio and other respective media by DICs and KVIB at periodical intervals depending on the target allotted to that district. The scheme will also be advertised /publicized through the Panchayati Raj Institutions which will also assist in identification of beneficiaries.
- b) It is mandatory to make online applications only.
- c) There will be two separate application forms for individual and non-individual (as notified by Government of Maharashtra from time to time) applicants.
- d) Applicants will be provided with User ID and Password at the time of initial registration (application filing) for updating/tracking the status of application.
- e) Applicant will be provided with unique application ID, after final submission of application form along with the requisite documents, which will be used by all the concerned agencies as well as banks for further processing of the application.
- f) Individual applicant (Proprietorship firm) should possess valid Aadhaar number. In case of applications to be filed by non-individual (Partnership firms and registered Self-Help Groups), the authorized person should submit his/her valid Aadhaar number.
- g) Application form will have the provision for saving the data entered at any stage. Guidelines for filling up of each field will be provided alongside the application form.
- h) A list of FAQ's will be provided on the portal. A short video demonstrating the online filing of

application will also be provided on the portal.

- i) There will be a link in the application form, for enabling the applicant to prepare project report ***on their own***, based on a sample template provided.
- j) There will be a provision to upload the following documents:

- i. *Passport size photo
- ii. *Aadhaar Card
- iii. *Birth Certificate/ School Leaving Certificate/ Domicile Certificate(if required)
- iv. *Educational qualification details
- v. *Undertaking Form
- vi. *Project Report
- vii. Caste Certificate/Caste Validity – if applicable
- viii. Special Category Certificate - if applicable
- ix. REDP/EDP/Skill Development training certificate/etc - if completed.
- x. For non-individual applicant, following additional documents are required:
 - (i) Registration certificate
 - (ii) Authorization letter/copy of bye-laws authorizing Secretary, etc. to apply.
 - (iii) Certificate for Special Category, wherever required.

(Note: 1. Serial number with * are mandatory documents

2. Size limit of the document should not exceed 300 kb, and for serial number v. & viz. It should not exceed 1 mb.)

- k) The application form on CMEGP portal has been made mobile friendly.
- l) After filing the application and uploading the required documents on the portal, the applicant will click SUBMIT button and the application will be finally submitted. The entire set of documents and application form will be electronically forwarded to the District Industries Centre (DIC) of the concerned District or District Representative of State KVIB.
- m) After receipt of the application, preliminary scrutiny will be completed within two working days by the nodal officer of DIC or State KVIB. The nodal officer will do the required correction, if any, in the application and also provide hand holding to the applicant.
- n) **District Level Scrutiny and Co-ordination Sub-Committee (DLSCC)** has been set up for first level scrutiny of applications and recommending the loan proposals to the DLFC. The DLSCC will consist of following members
- i. General Manager, District Industries Center - Chairman
 - ii. Lead Bank Manager - Member
 - iii. District Khadi & Village Industries Officer - Member
 - iv. District coordinator MAVIM - Member
 - v. Assistant Commissioner, Social justice & Special assistance department - Member
 - vi. Project officer, Integrated Tribal Development - Member
 - vii. Two representatives of leading banks from district - Member

- viii. Two representatives of Industries association/ Institutions/Cluster - Member
- ix. Industries officer, DIC - Member Convener

Functions of the Committee-

- Scrutiny of documents received along with application forms, preparation of primary list of applicants after counseling and forwarding it to DLTFCC or CMEGP cell - Head Office as and when required.
- To forward approved proposal by DLTFCC/ CMEGP cell - Head Office to bank.
- Recommendation of margin money claim to CMEGP cell - Head Office after due verification and validation by GM, DIC.
- Margin money details/ reporting, coordination with implementing agencies, bankers and training institutions.

o) **A District Level Task Force Committee (DLTFCC)** will be consisting of the following members,

- i. District Magistrate/Deputy Commissioner/ Collector - Chairman
- ii. District Lead Bank Manager - Member
- iii. District Khadi & Village officer, KVIB - Member
- iv. District coordinator / convener of MAHAVIM - Member
- v. Assistant Commissioner, Social justice & Special assistance department - Member
- vi. Project officer, Integrated Tribal Development - Member
- vii. General Manager, DIC - Member Convener

Functions of committee-

- Recommendation of application submitted by DLSCC to Financing Bank as opted by applicant.
 - DLTFCC meetings will be held atleast once every month or as and when required.
 - The Convener, GM, DIC will forward proposals approved by DLTFCC to the concerned banks within 2 working days.
 - The recommendation of application to banks should be preferably completed within 45 days from receipt of application.
- p) **District Level Review and Co-ordination:** The DLRFCC and DLBCC Committees under the chairmanship of District Collector have already been set up for review, recommendation and co-ordination with various agencies involved in implementation of the various credit linked programs at district level under District credit plan. The performance of CMEGP will be reviewed periodically by the said committees. GM, DIC will provide necessary information to above committees and will also bring to the attention the various issues raised if any, for necessary assistance and smooth implementation of the scheme in the district.

- q) There will be provision on the portal for grievances which would be resolved within 48 hours by the competent authority.
- r) The Banks will either sanction or reject the loan application within a stipulated time. A copy of the Sanctioned letter will be sent to the applicant (by e-mail/hard copy) as well as to KVIB/DIC within maximum 90 days from the receipt application, and also to the concerned training institute. The prescribed EDP training is mandatory before disbursement of loan.
- s) The applicant will deposit his contribution in the bank, as per the stipulated norms along with copy of EDP training certificate.
- t) Bank will release the first installment of the sanctioned loan either in full or part (equal to or above the margin money) and submit the claim for subsidy through the portal.
- u) Margin Money will be transferred by Nodal Bank as validated by DOI to the respective financing bank branch within 24 hours of the receipt of a valid claim.
- v) Once the subsidy is received by the Bank in favor of loanee, the amount should be kept as Term Deposit Receipt (TDR) within 24 hours in the name of the beneficiary/Institution and for the duration of **three years** at branch level. **No interest will be paid on the TDR and no interest will be charged on loan disbursed to the corresponding amount of TDR.**
- w) SMS/e-mail alerts will be made to send to the applicant automatically by the system or by the concerned officials.
- x) In case the Bank's advance goes "bad" before the **three years** period, due to reasons, beyond the control of the beneficiary, the Margin Money (subsidy) will be returned to the DOI along with interest. In case any recovery is effected subsequently by the Bank from any source whatsoever, such recovery will be utilized by the Bank for liquidating their outstanding dues.
- y) Margin Money (subsidy) will be 'one-time assistance', from Government of Maharashtra. For any enhancement of credit limit or for expansion/modernization of the project, margin money assistance is not available.
- z) Projects financed jointly i.e. financed by two different sources (Banks / Financial institutions) are **not** eligible for Margin Money (subsidy) assistance.
- aa) Bank must obtain an undertaking from the beneficiary before the release of Bank Finance to the effect that, in the event of objection (recorded and communicated in writing) by KVIB/DIC, the beneficiary will refund the Margin Money (subsidy) kept in the TDR or released to him after **three years** period.
- bb) Banks / KVIB / DICs must ensure that each beneficiary prominently displays the following sign-board at the main entrance of his project site:

.....(Unit Name)

Financed by..... (Bank),District Name Under
Chief Ministers Employment Generation Programme
(CMEGP)
 Directorate of Industries, Government of Maharashtra

- cc) CMEGP portal will be enabled to capture the re-payment of loans by the CMEGP beneficiary. After setting-up of the venture, Nodal offices of concerned agencies viz. KVIB / DIC will also visit them at least once in every 6 months to check their status and provide necessary guidance/handholding & mentoring. CMEGP portal will also be able to capture details of such visits by the concerned officer. CMEGP portal will be able to capture details of the physical verification of the unit done by the third-party agency as well as disbursements of Margin Money adjustment into the loan account of the beneficiary.
- dd) The portal will ensure that there is no overlap between the loan sanctioned and disbursement through the financial year and enable generation of various reports including category-wise, rural, urban, bank-wise, district-wise, year-wise, industry sector-wise, size of project-wise, etc.

17) State level Monitoring:

17.1 State Level Monitoring Committee:

For regular review of the scheme & for better co-ordination between all concerned agencies, State Level Monitoring Committee is constituted under the Chairmanship of the Development Commissioner (Industries) with the following members:

- i. Development Commissioner (Industries) - Chairman
- ii. Chief Executive Officer, Maharashtra State
Khadi and Village Industries Board - Vice- Chairman
- iii. State Director, KVIC, Mumbai - Member
- iv. Commissioner, Women & Child welfare department - Member
- v. Commissioner, Social justice & Special Support Department -Member
- vi. Commissioner, Tribal Development Department - Member
- vii. State Co-coordinator, SLBC (BOM) - Member
- viii. General Manager, Maharashtra Circle, Corporation Bank - Member
- ix. Deputy Chairman, Yes Bank - Member
- x. State level representative of Public & Private sector Banks - Member
- xi. Executive Director, MCED - Member
- xii. Additional Director of Industries, DOI, Mumbai - Member Secretary

Functions of State level Monitoring Committee are as below:

- To take review of the scheme every three months and give requisite directions to the concerned.
- Committee will also co-ordinate with all concerned departments and banks and prepare action plan for successful implementation of the scheme and to achieve yearly target.

17.2 State level High Power Committee:

For easy and effective implementation of scheme, for regular review at State level Bankers Committee & Implementing Agencies, a Committee has been constituted under the Chairmanship of Chief Secretary, Govt. of Maharashtra with the following members:

- | | |
|---|--------------------|
| i. Chief Secretary, Maharashtra | - Chairman |
| ii. ACS/PS/Secretary, Finance | - Member |
| iii. ACS/PS/Secretary, Industries | - Member |
| iv. ACS/PS/Secretary, Social Welfare & Special Support | - Member |
| v. ACS/PS/Secretary, Tribal Development | - Member |
| vi. ACS/PS/Secretary, Woman & Child Development | - Member |
| vii. MD/Executive Director, Bank of Maharashtra | - Member |
| viii. GM, Corporation Bank, Maharashtra Circle, Mumbai | - Member |
| ix. State level representative of Pvt. sector banks (two) | - Member |
| x. Other Public sector banks (SBI, BOI, BOB) | - Member |
| xi. State Conveyer, SLBC , Bank of Maharashtra | - Member |
| xii. Development Commissioner (Industries) | - Member Secretary |

Function of State level High Power Committee are as below:

- To review the progress / status of implementation of program & to give further necessary instructions.
- To guide for achieving better outcome of targets under the scheme.
- To issue instruction to the concerned department to provide necessary Budget allocation.
- To instruct the concerned dept. for reallocation of Budget for effective implementation of the scheme if required.

18) Residential Entrepreneurship Development Programme:

a. The objective of Residential Entrepreneurship Development Programme (REDP) is to provide orientation and awareness pertaining to various managerial and operational functions like finance, production, marketing, enterprise management, banking formalities, book keeping, etc. The REDP training duration under CMEGP for service sector is 1 week and for manufacturing sector it is 2 weeks inclusive of interaction with successful rural/urban entrepreneur, banks as well as orientation through field visits.

- b. REDP training will be mandatory for all the CMEGP beneficiaries. However, the beneficiaries who have undergone REDP/ EDP training earlier, of duration not less than two weeks through KVIC/KVIB/DIC or reputed training centers will be exempted from undergoing fresh REDP training. However, such candidate must go for refreshers REDP training of two or three days conducted by MCED or any other institute specified by the high power committee.
- c. DOI will reimburse the expenditure towards EDP to the training centers / institutes chosen for the purpose, in accordance with the procedures to be separately devised by it and circulated to DIC/KVIB. The training expenses will be decided by State level Monitoring Committee under the scheme as and when required.

19) Physical verification of CMEGP Units:

100% physical verification of the units established and status of each of the units, will be done by DOI, through the agencies of State Government and/or, if necessary by outsourcing the work to professional institutes having expertise in this area, following the prescribed procedures. Banks and KVIB will coordinate and assist DOI in ensuring 100% physical verification. A suitable format will be designed by DOI for such physical verification of units. Quarterly reports in the prescribed format will be submitted by DOI to the Government of Maharashtra.

20) Bankers Review Meetings:

CMEGP is a bank driven scheme and the final sanction of project and release of loan is done at the branch level of concerned Bank. It is therefore imperative that DOI and KVIB / DICs interact regularly with the higher officials of Bankers at District/ State level to ensure that bottle-necks, if any, in implementation are resolved, outcomes are effectively achieved and targets met. Bankers Review Meeting at following levels shall be organized as below:

- (i) **Lead District Managers Meet (LDM):** This meet will be organized by DIC jointly with KVIB. The focus of the meeting will be to inform and sensitize the bank officials at district level about CMEGP and regularly monitor and review the implementation of the scheme. The meeting will be held on quarterly basis.
- (ii) **Zonal review meeting:** To review and monitor the CMEGP scheme, zonal review meeting will be conducted quarterly by DOI where representatives of KVIB and DIC will participate. Concerned bank officers will also be invited.
- (iii) **State level Bankers Meeting:** DOI will organize / participate in State Level Bankers meeting to be held quarterly and review / monitor the progress of the implementation of the scheme. CMDs/Senior Executives of nationalized Banks, representatives from Government of Maharashtra, and KVIB will participate in the State Level Bankers meeting which will be chaired by Hon. Chief Secretary, Government of Maharashtra. The meeting will focus on reviewing the targets and examine the issues related to policy decisions relating to banks for proper implementation of CMEGP.

21) Awareness Camps:

DICs will organize awareness camps, in close coordination with all implementing/ supporting agencies throughout the state to popularize CMEGP and to identify potential beneficiaries in rural, semi-urban and urban areas about the Scheme. The awareness camps will involve participation from the unemployed youths with special focus on special category, i.e., SC, ST, differently abled, Ex- servicemen, Women, etc. DIC should preferably consider organizing these camps jointly with banks / KVIB in industrially under developed district. The amount to be spent on publicity, organizing awareness camps and other necessary contingencies expenses for organizing such camps, will be separately communicated by DOI.

Mandatory activities to be undertaken in the awareness camps:

- (i) Publicity through banners, posters, hoardings and press advertisements in local newspapers.
- (ii) Presentation on the scheme by KVIB/DIC officials.
- (iii) Presentation by Lead Bank Manager/ Leading bank in the area.
- (iv) Distribution of sanction letters to CMEGP entrepreneurs who have been sanctioned loans by the bank.
- (v) Press conferences
- (vi) Marketing support for the products manufactured by the units under CMEGP will be provided through DOI. Besides these exhibitions, workshops at District / State / Zonal / National and International levels, Buyer-Seller Meets, etc., may be organized for the benefit of CMEGP beneficiaries by DOI.

22) Workshops:

DOI will be coordinating these workshops and will get the annual calendar of workshops approved from the Government of Maharashtra, in advance.

Objectives of such workshops are:

- (i) To brief potential beneficiaries about benefits under the CMEGP Scheme/Cluster, etc.
- (ii) To create a Data Bank of CMEGP units regarding products manufactured, services provided business activity, production & distribution capacity, present marketing set-up, employment, capital cost, etc.
- (iii) To interact with CMEGP entrepreneurs to obtain feedback about their units, their problems, support required achievements, success stories, etc.
- (iv) To involve experts in marketing and export to support CMEGP units in these areas.

Note:

One State level Workshop each by KVIB and DIC jointly is to be organized once in year with participation of minimum 200 prospective entrepreneurs. The State Level Workshop will include

the following activities:

- Presentation of CMEGP implementation status of the State.
- Banks views on CMEGP by senior officials of lead Bank in the State.
- Sharing of experience and success stories by CMEGP entrepreneurs, providing special emphasis to entrepreneurs belonging to special categories.
- Briefing about support schemes related to cluster and marketing strategies by NABARD and SIDBI.
- Utilizing the services of MWCD, MAVIM, DRDA, etc. for involving the rural youth, weaker sections, women, ex-servicemen, especially abled, in CMEGP.
- Presentation on domestic and export market potential available, by marketing experts.
- Open house interaction with CMEGP entrepreneurs, constraints encountered, further support required, etc.
- Data collection of CMEGP entrepreneurs in the prescribed format.
- Arranging exhibition cum sale of CMEGP products.
- Organizing press conference.

23) Orientation and Training to implementation agencies under CMEGP:

The staff and officers of DIC, KVIB and concerned agencies have to be sensitized on the operational modalities of CMEGP which can be imparted in a one-day training workshops to be conducted throughout the State/District levels by DIC (in coordination with KVIB). Minimum seven such programs per year will be organized by DOI. DICs may organize such training workshops jointly, wherever feasible, based on guidelines to be issued by DOI separately, for this purpose.

24) TA/DA of Staff and Officers:

The officers of DICs and KVIB will carry out relevant field visits and monitoring activities of CMEGP. A provision of Rs.1 crore per year is made available towards TA/DA of staff and officers for monitoring and reviewing CMEGP, including administrative expenses like stationery, documentation, contingencies, etc., and around 40% of this amount can be earmarked for DICs. DOI will issue separate guidelines incorporating the detailed modalities of certification of the expenditure, laying down the norms for such field visits to optimally utilize the assistance and ensure economy in expenditure.

25) Publicity and Promotional activities:

CMEGP should be popularized through aggressive publicity campaigns including posters, banners, hoardings, radio jingles, television messages, advertisements in local papers, press conferences, also involving VVIPs and distinguished guests in major events of CMEGP.

Keeping in view the significance of publicity and promotional activities required to be undertaken for promoting CMEGP, advertisement will be issued /published in English, and Marathi language newspapers. For District level events, quarter page advertisement will be released and for State level events, half page advertisement will be released.

26) MIS Package, Application Tracking System, E-Portal and other supporting packages

E-governance is a vital requirement for effective monitoring and reviewing of the scheme. A separate CMEGP website will be built by DOI, including all the relevant linkages with GOM, KVIB, DICs, NIC and Banks, providing all the necessary information. Application tracking system will also be introduced by DOI in coordination with KVIB / DICs for CMEGP beneficiaries. A separate provision is available under forward-backward linkages for the purposes for use by DOI. DOI will issue further guidelines regarding utilization of funds for the purposes outlined in the backward and forward linkages by ensuring proper documentation, etc., from KVIB and DICs. Proper account of the expenditure in this regard will be maintained by KVIB/DICs and monitored by DOI regularly.

27) Proposed targets under CMEGP:

The following estimated targets have been proposed under CMEGP during the five years, i.e. from 2019-20 to 2023-24.

Year	Project (Nos.)	Margin Money (Subsidy) (Rs. in Crore)
2019-20	10,000	300
2020-21	20,000	650
2021-22	20,000	750
2022-23	25,000	900
2023-24	25,000	900
Total	1,00,000	3500

Note:

To begin with, the targets would be distributed between DICs and KVIB in the ratio of 60:40 to ensure comparatively greater emphasis to micro enterprises in rural areas. The margin money subsidy would also be allocated in the same ratio. The District-wise annual allocation of targets would be issued by Directorate of Industries to the implementing agencies.

a. Criteria for distribution of targets under CMEGP:

The following are the broad suggested criteria for distribution of District-wise targets:

- i. Extent of backwardness of District;
- ii. Extent of unemployment;
- iii. Extent of fulfillment of targets under PMEGP;
- iv. Extent of recovery of loans under PMEGP;
- v. Population of the District; and
- vi. Availability of traditional skills and raw material.

28) Rehabilitation of Sick Units:

Rehabilitation of sick units under CMEGP will be according to the RBI's Guidelines for rehabilitation of sick small-scale industrial units issued to all Scheduled Commercial Banks vide their letter RPCD No. PLNFS.BC.57/06.04.01/2001-2002 dated 16th January 2002.

29) Registration

Udyog Aadhar Registration with the Ministry of MSME, Govt. of India under the Scheme is compulsory. No registration fee will be charged from the beneficiaries. Beneficiary will submit quarterly report about production, sales, employment, wages paid, etc. to the State / Regional Director of the DOI, and submit a consolidated report every six months.

30) Monitoring and evaluation of CMEGP:

30.1) Role of DOI:

DOI will be the single Nodal implementing Agency of the Scheme at the State level. DOI will be the controlling and monitoring agency for implementation of the scheme. It will allocate target, sanction and release required funds. Principal Secretaries / Commissioners (Industries) and CEO, KVIB will be responsible for implementation of the Scheme in States through DICs and representatives of State KVIB and Senior officials of Banks.

Development Commissioner (DC), DOI will quarterly review the performance with State KVIB and Banks and submit a quarterly performance report to the Government of Maharashtra. The report will include the component wise details of beneficiaries indicating the amount of the Margin Money (subsidy) allotted, employment generated, and the projects set up. Department of Industries will ensure that the margin money (subsidy) is utilized as per the sub-component plans approved for SC, ST, Women, etc. The targets and achievement will also be monitored at the Regional and District levels by the Joint Directors of Industries and at head office level by the Development Commissioner (I) /Secretary (Industries).

30.2) Role of State Governments:

The Scheme will be reviewed half yearly by Hon. Chief Secretary of the State, CEO, KVIB, Secretary (Industries) / Development Commissioner (Industries) of the State, Senior Officials of the Banks and other officials concerned will attend the meeting.

The component wise details of beneficiaries indicating the amount of the Margin Money (subsidy) allotted, employment generated, and the projects set up, which will be analyzed, compiled and consolidated by DOI and a comprehensive report will be forwarded to GOM quarterly or every month.

31) Evaluation of the Scheme:

A comprehensive, independent and rigorous evaluation of the scheme will be done after two years of its implementation. Based on the findings of the evaluation study the scheme would be

modified suitably.

32) List of Negative Activities:

The following list of activities will not be permitted under CMEGP for setting up of micro enterprises/ projects /units.

- a) Any industry/businesses connected with Meat processing/slaughtering/canning and/or serving items made of it as food, production/manufacturing or sale of intoxicant items like Beedi/Pan/Cigar/Cigarette etc., Dhaba or sales outlet serving liquor, preparation/producing tobacco as raw materials, tapping of toddy for sale.
- b) Any industry/business connected with cultivation of crops/plantation like Tea, Coffee, Rubber etc. sericulture (Cocoon rearing), Horticulture, Floriculture.
- c) Any industry/business connected with Animal Husbandry like Rearing of goat/ sheep, Piggery, Poultry, etc.
- d) Manufacturing of Plastic, Polythene and Thermocol Products and related products as prohibited by Environment Department, Govt. of Maharashtra notification No.Plastic-2018/C.R. No.24/TC-4, dated 23rd March, 2018.
- e) Any other Product/Activity banned by the Government of India / State Government.

33) Advice Note:

The state government has the right / authority to amend / modify the procedural guidelines for the scheme or any provisions regarding eligibility criteria, quantum of assistance, grant in aid (subsidy) etc. or any such parameters as and when required for smooth and speedy implementation of the scheme. The changes if any will be intimated to all concerned implementing agencies from time to time.
