

**IMPLEMENTATION STATUS OF  
THE PACKAGE FOR PROMOTION OF MICRO AND SMALL ENTERPRISES  
(ANNOUNCED BY SHRI MAHABIR PRASAD, MINISTER OF SMALL SCALE  
INDUSTRIES AND AGRO AND RURAL INDUSTRIES IN LOK SABHA ON 27  
FEBRUARY 2007 AND IN RAJYA SABHA ON 2 MARCH 2007)**

Sl.in Pkg.	Component in Pkg.	Follow up action therein
<b>1.</b>	<b>LEGISLATION</b>	
<b>1.1</b>	<b>Micro, Small &amp; Medium Enterprises Development Act, 2006</b>	
	<p>With a view to facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises, the Micro, Small and Medium Enterprises Development Bill, 2006 has recently been passed. The Government will take up effective and expeditious implementation of this legislation in close collaboration with all stakeholders</p>	<p>1. The Micro, Small and Medium Enterprises Development Act, 2006 has come into force from 2 October 2006 and consequent Notifications under the provisions of the said Act for classification of classes, constitution of Advisory Committee, National Board for Micro, Small and Medium Enterprises (NBMSME), filing of entrepreneurial memoranda (EM) and amendments thereon, etc. have been issued and circulated. (Placed on this office website <a href="http://www.dcmsme.gov.in">www.dcmsme.gov.in</a>)</p> <p>2. Draft rules of Micro and Small Enterprises Facilitation Councils (MSEFCs) to be notified by States/UTs as per Section 21(3) of MSMED Act, 2006, circulated to all concerned.</p> <p>3. All States excepting (i) Lakshwadweep, (ii) Meghalaya, (iii) Mizoram, and (iv) Sikkim, have notified authority to accept EMs for MSEs.</p> <p>4. (i) Rules for MSEFCs notified by (1) Andhara Pradesh, (2) A&amp; N Islands, (3) Bihar, (4) Chattisgarh (5) Dadra &amp; Nagar Haveli , (6) Daman &amp; Diu, (7) Delhi (8) Gujarat (9) Haryana (10) Karnataka, (11) Kerala (12) Madhya Pradesh, (13) Maharashtra, (14) Orissa (15) Pondicherry (16) Punjab (17) Tamil Nadu (18) Uttar Pradesh (19) West Bengal.</p> <p>(ii) MSEFCs constituted by (1) Andhra Pradesh, (2) A&amp;N Islands, (3) Bihar, (4) Chattisgarh, (5) Dadara &amp; Nagar Haveli, (6) Daman &amp; Diu (7) Delhi, (8) Gujarat (9)Haryana(10) Karnatka (11) Kerala, (12) Madhya Pradesh, (13) Orissa, (14) Pondiherry (15) Punjab (16) Tamil Nadu (17) West Bengal</p> <p>4. DoR issued necessary instructions to all assessing officers vide Instruction No. 12/2006 dated 14.12.2006 for implementation Section 22 and Section 23 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 concerning requirement to specify unpaid amount with interest in the annual statement of accounts and interest not to be allowed as deduction from Income</p>

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		<p>Tax Act, 1961. (Circulated to all concerned and (Placed on this office website <a href="http://www.dcmsme.gov.in">www.dcmsme.gov.in</a>)</p> <p>5. Ministry of Company Affairs Notified "Requirement to specify unpaid amount with interest in the annual statement of accounts" vide No: G.S.R.719 (E) dated 16 November 2007 thereby effecting suitable alterations in Schedule VI of the Companies Act, 1956 to incorporate implementation of Section 22 and Section 23 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.</p> <p>6. Study under progress in respect of Service and Medium Enterprises</p> <p>7. Procurement Policy – discussed in the 2<sup>nd</sup> NBMSME on 18.9.2007 – Draft Cabinet Note under circulation for comments of the concerned Ministries/Departments.</p> <p>8. Name of the Ministry of Small Scale Industries changed to Ministry of Micro, Small and Medium Enterprises in accordance with Business of Allocation notified by the Cabinet Secretariat Notification No: 1/22/4/2007 dated 10 May 2007.</p>
<b>1.2</b>	<b>Enact Law on Limited Liability Partnership (LLP)</b>	
	<p>The Government will also soon enact a law on Limited Liability Partnerships covering, among others, micro, small and medium enterprises, with a view, inter alia, to facilitating infusion of equity and venture capital funding in these enterprises.</p>	<p>Limited Liability Partnership (LLP) Bill, 2006 which was introduced in Rajya Sabha on 15.12.2006 was referred to Department related Parliamentary Standing Committee on Finance. Based on their recommendations the Ministry of Company Affairs is likely to introduce the revised LLP Bill, 2008 during the ensuing Budget Session.</p>
<b>2.</b>	<b>CREDIT SUPPORT</b>	
<b>2.1</b>	<b>MONITORING OF IMPLEMENTATION OF PACKAGE FOR STEPPING UP CREDIT TO SME.</b>	
	<p>In line with the Policy Package for Stepping up Credit to Small and Medium Enterprises (SME), the Reserve Bank of India (RBI) has already issued guidelines to the public sector banks to ensure 20 per cent year-on-year growth in credit to the SME. Action has also been initiated to operationalise other elements of the said Policy Package. The RBI and the Government will closely monitor implementation of these measures.</p>	<p>Government is monitoring the implementation of the above measures on quarterly basis.</p>

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<b>2.2</b>	<b>PORTFOLIO RISK FUND</b>	
	The Small Industries Development Bank of India (SIDBI) will scale up and strengthen its credit operations for micro enterprises and cover 50 lakh additional beneficiaries over five years beginning 2006-07. Government will provide grant to SIDBI to augment SIDBI's Portfolio Risk Fund for this purpose.	Additional budgetary provisions already made for scaling up its operations under the micro finance programme through SIDBI.
<b>2.3</b>	<b>RISK CAPITAL FUND</b>	
	Government will also provide grant to SIDBI to enable it to create a Risk Capital Fund (as a pilot scheme in 2006-07) so as to provide, directly or through intermediaries, demand-based small loans to micro enterprises.	The SFC Note for creation of a "Risk Capital Fund for Micro Finance" with SIDBI under consideration.
<b>2.4</b>	<b>INCREASE IN NUMBER OF SIDBI BRANCH OFFICES (BOs) to 100</b>	
	SIDBI's direct lending operations will be expanded by increasing the number of branches from 56 to 100 in two years beginning 2006-07, with a view to catering to the credit needs of more clusters of micro and small enterprises (MSEs).	SIDBI has at present 73 BOs in addition to zonal and regional offices. SIDBI plans to increase its branches to 100 by FY 09.
<b>2.5</b>	<b>CREDIT GUARANTEE FUND TRUST FOR MICRO AND SMALL ENTERPRISES (CGTMSE).</b>	
	2.5.1 The eligible loan limit under the Credit Guarantee Fund Scheme will be raised to Rs.50 lakh. The credit guarantee cover will be raised from 75 per cent to 80 per cent for micro enterprises for loans up to Rs.5 lakh. Accordingly, to strengthen the Credit Guarantee Fund, the corpus of the Fund will be raised from Rs.1189 crore as on 01 April 2006 to Rs.2500 crore over a period of five years (with contribution by the Government and SIDBI in the existing ratio of 4:1).	Necessary modifications have been carried out vide circular dated 2 July 2007.
2.5.2	Moreover, to encourage public sector banks and public financial institutions to contribute to the corpus of the Fund, the feasibility of allowing deduction of their contributions to the Fund for income tax purposes would be examined.	Department of Revenue (DoR) amended Income Tax Act, 1961. Necessary Notification issued vide No. S.O.1569 (E) dated 18 <sup>th</sup> September 2007.

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2.5.3	The Fund will continue to be maintained with and managed by the Credit Guarantee Fund Trust for Small Industries (CGTSI). The Trust will be renamed as "Credit Guarantee Fund Trust for Micro and Small Enterprises" (CGTMSE).	Same as at Para 2.5.1 above.
<b>3.</b>	<b>FISCAL SUPPORT</b>	
	Taking into consideration all the relevant factors, including the new definition of small manufacturing enterprises, under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, the Government will examine the feasibility of:	
3.1	Increase in the General Excise Exemption (GEE) limit and the existing eligibility limit for GEE;	The existing GEE limit "one hundred lakh rupees" enhanced to "one hundred and fifty lakh rupees" from 1 <sup>st</sup> April, 2007 (Ref: Notification No. 8/2007-Central Excise dated 1 <sup>st</sup> March, 2007 of M/o Finance (Central Excise)
3.2	Extending the time limit for payment of excise duty by micro and small enterprises; and	This issue were taken up with the Department of Revenue in the pre-budget proposals 2008-09, but was not considered favourably.
3.3	Extending the GEE benefits to small enterprises on their graduation to medium enterprises for a limited period.	
<b>4.</b>	<b>SUPPORT FOR CLUSTER BASED DEVELOPMENT</b>	
	For comprehensive and speedier development of clusters of micro and small enterprises, the existing guidelines of the Small Industries Cluster Development Programme (SICDP, to be renamed as "Micro and Small Enterprises Cluster Development Programme" - MSECDP) will be reviewed during 2006-07 to accelerate holistic development of clusters, including provision of Common Facility Centres, developed sites for new enterprises, upgradation of existing industrial infrastructure and provision of Exhibition Grounds/Halls and also for creation and management of infrastructure-related assets in the public-private partnership mode. The ceiling on project cost will be raised to Rs.10 crore.	<b>Implemented the following w.e.f 1.10.07:</b> (i) Renaming of the scheme as MSE-CDP (ii) subsuming of IID scheme with existing features and funding pattern under MSE-CDP (iii) Assistance up to 90% of the cost subject to a ceiling of Rs.9 crore for clusters developed exclusively for micro & small enterprises operated and / or owned by women under MSE-CDP and (iv) assistance for establishing exhibition centers for display and sale of products of women owned micro and small enterprises.
<b>5.</b>	<b>TECHNOLOGIES AND QUALITY UPGRADATION SUPPORT</b>	

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5.1	Four Training-cum-Product Development Centres (TPDCs) for agro & food processing industries would be set up at identified existing Small Industries Service Institutes (SISIs) to facilitate promotion and development of micro and small enterprises in the food-processing sector.	Setting up of 4 TPDCs, one each at MSME-DI (earlier known as SISI), Ludhiana, Kanpur, Indore and Branch MSME-DI, Mangalore, under progress.  The process for construction of building/sheds and procurement of plant and machinery and laboratory equipments for TPDCs has been started.
5.2	The two existing Central Footwear Training Institutes (CFTIs) (at Chennai and Agra) will be further strengthened to expand their outreach and assist the MSE in upgrading their technology.	Action taken by way of procurement of requisite machines needed to strengthen the Institutes. Accordingly, the Long term and short term training programmes in footwear manufacturing being conducted and common facility services being provided to assist the micro and small footwear enterprises.
5.3	Vertical Shaft Brick Kiln (VSBK) Technology would be promoted for adoption by MSEs engaged in manufacturing bricks to make them energy efficient and eco-friendly. For this, one-time capital subsidy (limited to 30 per cent of the cost or Rs.2 lakh, whichever is less) will be provided to micro and small brick manufacturing enterprises.	All the five MSME DIs i.e. one each at Raipur, Cuttack, Jaipur, Ranchi and Indore organized various activities like seminars, workshops and exposure visits for promotion and adoption of VSBK technology.  MSME-DI at Indore, Jaipur and Cuttack have selected Private Partners to set up Demonstration Centres of VSBK Technology at their respective places, under PPP mode – Selection of Private Partners at Ranchi and Raipur under progress.
5.4	With a view to promoting energy efficiency in electrical pumps and motors manufactured by MSEs, a special programme of assistance will be launched after a detailed technical study.	Action already initiated.
5.5	The existing scheme of assisting the attainment of ISO 9000 and 14001 standards will be operated as a continuing scheme during the 11 <sup>th</sup> Five Year Plan.	1. Scheme extended for the 11 <sup>th</sup> Plan with inclusion of HACPP certification. 2. Scheme decentralized from 1.4.07 – Directors, MSME (earlier known as SISIs) empowered to received and process the applications. 3. Maximum limit of reimbursement limited to Rs.75000/- 4. Information regarding above given on website <a href="http://www.dcsmse.gov.in">www.dcsmse.gov.in</a>
5.6	The scope of the above-mentioned scheme will be expanded to cover “Hazard Analysis and Critical Control Points” (HACCP) Certification obtained by MSE.	
5.7	<b>ESTABLISH A TECHNOLOGY MISSION FOR MSMEs</b>	

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	A Technology Mission will be established with a view to assisting micro, small and medium enterprises (MSMEs) in technology upgradation, energy conservation and pollution mitigation.	"Technology Mission Unit (TMU)" set up at MSME DI, New Delhi, with full time team of Deputy Directors, Assistant Directors and support staff, under Director, for effective implementation, monitoring and coordination of the TMU Project Coordinator appointed
<b>6.</b>	<b>MARKETING SUPPORT</b>	
	The National Manufacturing Competitiveness Programme (NMCP) announced in the Budget Speech of 2006-07 will include components relating to marketing support to MSE. Implementation of the NMCP will be taken up soon.	<p>Following 9 schemes / components being implemented:</p> <ol style="list-style-type: none"> <li>1. National Programme on Application of Lean Manufacturing</li> <li>2. Promotion of ICT in Indian Manufacturing Sector</li> <li>3. Mini-Tool Rooms proposed to be set up by Ministry of SSI</li> <li>4. Technology and Quality Upgradation Support for SMEs</li> <li>5. Support for Entrepreneurial and Managerial Development of SMEs.</li> <li>6. Development of SMEs. Design Clinic scheme to bring expertise to the Manufacturing Sector</li> <li>7. Enabling manufacturing sector to be competitive through quality management standards and quality technology tools.</li> <li>8. Intellectual PropertyMarket assistance / technology up-gradation activities</li> <li>9. Market Support / Assistance of SMEs.</li> </ol> <p>(ii) Marketing support/assistance to SMEs(Rs.1.50 crore implemented from 1 June 2007 (details at <a href="http://www.dcmsme.gov.in">www.dcmsme.gov.in</a>))</p>
<b>7.</b>	<b>SUPPORTS FOR ENTREPRENEURIAL AND MANAGERIAL DEVELOPMENT</b>	
7.1	20 per cent of the entrepreneurship development programmes (EDP) will be organised for SC/ST, women and physically challenged persons with a stipend of Rs.500 per capita per month for the duration of the training.	<p>The percentage earmarked 22.5% instead of 20% envisaged in the Package.</p> <p>The scheme forwarded to all MSME-DI (earlier known as SISIs)/ Br.MSME (earlier known as Br.SISIs) / Autonomous Bodies/ MSMETI (earlier known as SEPTI)/ MEME Tool Rooms for implementation. MSME-Dis conducted for conducting programmes.</p> <p>Under the scheme, 262 programmes (51 EDPs and 211 ESDPs) organized during 2007-08 have</p>

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		benefited 6550 persons.
7.2	50,000 entrepreneurs will be trained in information technology, catering, agro and food processing, pharmaceuticals, biotechnology, etc., through specialised courses run by SISIs(MSME-DIs) , over the period co-terminus with the XI Plan.	All MSME-DIs have been advised to conduct ESDP on these topics. The Fund requirement to be met from EDP Head.  44,961 persons have been trained during 2007-08
7.3	A new scheme will be formulated to provide financial assistance to select management/business schools and technical institutes, to conduct tailor-made courses for new as well as existing micro and small entrepreneurs.	The scheme has been formulated and optionalised.  Rs.0.65 crore allotted for 2007-08. to MSME-DIs and Br.MSME DIs to conduct 65 BSDP through selected Business School and Technical Institutions.  1952 candidates benefited from these 65 BSDPs during the year 2007-08.
7.4	A new scheme will also be formulated to provide financial assistance to 5 select universities/ colleges to run 1200 entrepreneurial clubs.	Director, MSME-DIs, Chennai, Jaipur, New Delhi, Cuttack, and Guwhati have signed the MoU with the universities in their area to run the entrepreneurial clubs. Under the scheme, Rs.0..80 crores allotted for the year 2007-08.
7.5	A new scheme will be launched for capacity building, strengthening of database and advocacy by Industry/ Enterprise Associations, after consultation with the Associations and States.	The financial assistance to the tune of 50% of the cost of modernization of the facilities and equipment and training of personnel being provided to industry/enterprise associations to strengthen their role and increase their efficiency, depending upon their size and reach. A new component has been added to provide financial assistance to industry/enterprise associations for conducting workshops, seminars and symposiums.  The proposals received are cleared on the recommendations of the Steering Committee, who decide upon the relevance of the overall objective of the association and shortlist the associations for availing the financial benefits under the scheme.  Rs.97.00 lakhs sanctioned during 2006-07 to 31 State Level Industries Associations, out of which Rs.46.625 lakhs has been disbursed in first phase.  -BE for 2007-08 – Rs.130 lakhs  An amount of Rs.50.25 lakh disbursed to 31 associations for secretarial and advisory / extension services.

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		<p>Under the new component, an amount of Rs.9.00 lakhs disbursed to 17 associations.</p> <p>An amount of Rs.28,375 lakh disbursed as second instalment to 19 associations to whom financial assistance was given under the sheme during 2006-07.</p> <p>Total utilization during 2007-08 Rs.87,625 lakh.</p>
7.6	A comprehensive study will be conducted to assess the needs and scope of Government intervention required for enhancing the competitiveness of micro and small enterprises in the service/ business sector.	A Study on "Service Enterprises in Micro, Small and Medium Enterprises Sector" has been awarded to Management Development Institute (MDI) Gurgaon. The MDI has since submitted the inception report. The draft report likely to be submitted by the end of 2007
<b>8.</b>	<b>EMPOWERMENT OF WOMEN OWNED ENTERPRISES</b>	
8.1	Under the Credit Guarantee Fund Scheme, 80 per cent guarantee cover will be provided to micro and small enterprises operated and/or owned by women.	(Same as in Para 2.5.1 above).
8.2	Under the SICDP/MSECDP financial assistance of up to 90 per cent of the cost, subject to ceiling of Rs. 9 crore, will be provided for clusters developed exclusively for micro and small enterprises operated and/or owned by women.	Implemented from 1.10.2007 (details at Sl.4)
8.3	Associations of women entrepreneurs will be assisted under the SICDP/MSECDP in establishing exhibition centres at central places for display and sale of products of women-owned micro and small enterprises.	Implemented from 1.10.2007 (details at Sl.4)
8.4	To encourage entrepreneurship among women, 50 per cent concession in fees would be given to women candidates in entrepreneurship/ management development programmes conducted by SISIs	Scheme implemented from January 2007.
8.5	To facilitate export by women entrepreneurs, the National Small Industries Corporation Ltd. (NSIC) will assist them to participate in 25 exhibitions over the period co-terminus	DC (MSME) assisted/ to assist women entrepreneur for facilitation of their exports in the following six fairs, for which Women owned Enterprises Associations and MSME-DIs have been informed: (i) South Asian Countries Fair, Beijing

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	with the XI Plan.	<ul style="list-style-type: none"> <li>(ii) (China) (December 28-30, 2007)</li> <li>INTERMODA – International Apparel &amp; Textile Fair, Mexico City (January 15-18,2008)</li> <li>(iii) Muba 2008, Basel, Switzerland (February 15 – 24, 2008)</li> <li>(iv) INDEE – 2008 (Indian Engineering Exhibition) – St. Patersburg (Russia) (March 11-14, 2008)</li> <li>(v) Cairo International Fair, Exhibition Center, Nassar City, Egypt (March 18-28, 2008)</li> <li>(vi) 5<sup>th</sup> Commodities Fair, Fujian, China (May 18-22, 2008)</li> <li>(vii) Imported Goods Fair, Seoul , South Korea (May 23-26, 2008)</li> <li>(viii) Expo Riva Schuh, Garda (Italy) (June 16-19, 2008)</li> </ul>
<b>9.</b>	<b>STRENGTHENING OF PRIME MINISTER’S ROZGAR YOJANA (PMRY)</b>	
9.1	The Prime Minister’s Rozgar Yojana (PMRY), introduced in 1993, has been one of the important credit-linked subsidy schemes to generate self-employment opportunities for the educated youth by assisting them in setting up viable micro enterprises. The end of 2005-06 estimates it estimated to have provided self-employment opportunities to 38.09 lakh persons. A recent review has, however, established the need to improve its effectiveness as a measure for self-employment through this route.	The modified guidelines have been finalized and issued to States/UTs Governments and Reserve Bank of India (RBI) for implementation from 2007-08.
9.2	The design parameters of the PMRY, in terms of family income limits for eligibility, project cost ceilings, corresponding ceilings of subsidy, rates of assistance to States towards training of beneficiaries before and after selection, etc., will be improved with effect from 2007-08, keeping in view the findings of the review.	Parameters of PMRY have been revised from 2007-08 (Details attached)
<b>10.</b>	<b>STRENGTHENING OF DATA BASE FOR MSME SECTOR</b>	

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10.1	To strengthen the data base for the MSME sector, statistics and information will be collected in respect of number of units, employment, rate of growth, share of GDP, value of production, extent of sickness/closure and all other relevant parameters of micro, small and medium enterprises, including khadi and village industry units set up under Rural Employment Generation Programme and Prime Minister's Rozgar Yojana as well as coir units, through annual sample surveys and quinquennial census	<p>Proposal for conduct of fourth (quinquennial) Census of MSMEs and Annual Sample Surveys approved.</p> <p>A Steering Committee under the chairmanship of Secretary (SSI &amp; ARI) set up to look into all aspects of the conduct of census.</p> <p>Technical and Administrative Sub-Committees formed to oversee the technical and administrative matters related to conduct of the Census.</p> <p>The questionnaire for data collection regarding enterprises who have filed entrepreneurial memorandum/are registered (with District Industry Centress/ under Factories Act, REGP, Coir Board) and instruction manual questionnaire has special emphasis on data collection regarding women-owned and/or managed enterprises and export related issues from MSME Sector.</p>
10.2	The quinquennial census and annual sample surveys of MSMEs will also collect data on women-owned and/or managed enterprises.	<p>The SFC proposal for Fourth (Quinquennial) Census of MSMEs and Annual Sample Surveys approved.</p>
10.3	A scheme will also be formulated and implemented to regularly collect data on exports of products/services manufactured/provided by micro, small and medium enterprises, including khadi and village industries.	<p>Training of Trainers Programme completed in different zones of the country – state level training under progress – Operational Guidelines (road map for Census) issued to States.</p> <p>A total of Rs.1318.12 lakh spent during 2007-08 out of which Rs.1165 lakh released to the State Directorate of Industries for arranging training of enumerators, traveling expenses and collection of data, its codification, scrutiny and spot checking. This includes sanction amount to Rs.140 lakh towards NE region.</p> <p>Census material like Codebooks, Questionnaire and Instruction manual sent to concerned in the States/UT administrations.</p>

### REVISED PARAMETERS UNDER PMRY SCHEME FROM 2007-08

9.2	The design parameters of the PMRY, in terms of family income limits for eligibility, project cost ceilings, corresponding ceilings of subsidy, rates of assistance to States towards training of beneficiaries before and after selection, etc., will be improved with effect from 2007-08, keeping in view the findings of the review.	<ul style="list-style-type: none"> <li>Following parameters of PMRY have been revised from 2007-08:</li> </ul>		
		Parameter	Pre-revised	Revised
		Family income ceiling	Rs.40, 000 per annum	Rs.1, 00,000 per annum
		Project cost	Business sector- Rs.1lakh Service and Industry-Rs.2 lakh	Business and service sector- Rs.2 lakh Industry sector- Rs.5 lakh
		Subsidy	Rs.7, 500	Rs.12, 500 for individuals.
		Subsidy (for SHG)	As per eligibility of individual members.	Rs. 15,000 per beneficiary subject to a maximum of Rs.1.25 lakh per SHG.
		Training cost	Industry sector- stipend-Rs.300 and training- Rs.700 per beneficiary.  Business/service sector- stipend- Rs.150 and training-Rs.350	Industry sector- stipend-Rs.750 and training- Rs.1750. Business and service sector- stipend-Rs.375 and training- Rs.875
		Pre-Selection Motivational Campaign	-	Rs.200 per applicant for 125 % of the allocated target.

In addition to modification of the design parameters of PMRY, certain operational guidelines have also been communicated to the implementing agencies as given below:

- **Operational Guidelines of PMRY**

- (i) Serious efforts to be made to publicize the scheme to attract a sizeable number of applications. All State/UT Governments to emphasize on publicity through aggressive media campaigns like the radio, television, cinema slides, and distribution of pamphlets.
- (ii) State/UT Governments are to conduct seminars in each district for creating awareness of PMRY in the area in the form of pre-selection motivational campaigns.

- (iii) All the members of the Task Force Committee would collectively be responsible for selection of beneficiaries. This would ensure that the Bank Manager alone shall not be responsible for the Non Performing Assets (NPAs) if any.
- (iv) No collateral shall be insisted for PMRY loans up to Rs. 5 lakh.
- (v) Assistance to SC/ST and Minority beneficiaries should be targeted in such a manner that they are benefited at least in proportion to their population in each District/State. All State/UT Governments may make arrangements for special training programmes according to the needs of SC/ST/OBC and Minority beneficiaries.
- (vi) Of the total target for each State/UT, women beneficiaries should constitute at least 30 per cent.
- (vii) Preference may be given to develop clusters specializing in specific products at the time of selection of PMRY beneficiaries. It is desired that if a cluster consisting of 5 to 11 boys/girls are given loan for the same product/business/service, it may pave the way for proper development.
- (viii) The Tahsildar/Block Development Officer may authenticate the eligibility of PMRY beneficiaries in respect of residence and income criteria.
- (ix) Cent percent verification of units to be done as per the Performa already circulated with the revised guidelines.
- (x) For vetting of the project profiles of the PMRY applicants belonging to SC/ST/OBC applying for loan under such clusters, utilization of the services of a Chartered Accountant (CA) may be considered. Remuneration to the CAs not exceeding Rs.100/- may be paid out of the available Contingency funds under PMRY.

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