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M.S.M.E. DEPARTMENT

NOTIFICATION

The 10th February 2021

No. 992—MS&I-06/2021-MSME—The Governor of Odisha is pleased to make the following Operational Guidelines on “Top-up Subsidy Scheme by the State Government under Prime Minister’s Employment Generation Programme (PMEGP)”:

- Short Title & Commencement**—(1) These Guidelines may be called the Operational Guidelines on “Top-up Subsidy Scheme by the State Government under Prime Minister’s Employment Generation Programme (PMEGP)”.  
(2) This shall be deemed to come in force with effect from the date of Notification.
- Extent**—It shall extend to the whole of the State of Odisha.
- Introduction**—Prime Minister’s Employment Generation Programme (PMEGP) is a Central Sector Scheme for generation of employment opportunities through establishment of Micro Enterprises in rural as well as urban area. At State Level the PMEGP Scheme is being implemented by Regional Industries Centre (RIC)/District Industries Centre (DIC), State Directorate of Khadi and Village Industries Commission (KVIC), Odisha Khadi and Village Industries Board (OK&VIB), Regional Office Coir Board, Bhubaneswar and Banks. The maximum cost of the project/unit admissible in manufacturing sector is ₹ 25 lakhs and in the business/service sector, it is ₹10 lakhs. As regards level of funding under PEMGP, Bank will finance 90% of project cost in case of General Category and 95% in case of Special Category beneficiary [SC/ST/OBC/Minorities/Women, Ex-Servicemen, Physically Handicapped (differently abled)]. The Promoter’s contribution/Beneficiary’s contribution against project cost under the PMEGP Scheme is 10% in case of General Category and 5% in case of Special Category beneficiary.

It is felt in the wake of present pandemic situation of COVID-19 that the beneficiaries are facing problem in subscribing the Promoter’s contribution prescribed under the PMEGP Scheme.

In order to facilitate the credit linkage with Banks and lessen the burden of Promoter’s contribution, the Government of Odisha declared a Scheme christened as “Top-up Subsidy Scheme” under PMEGP.

4. **Objectives**—The Scheme is to provide Top-up subsidy towards Promoter's contribution @ 5% to all beneficiaries for availing finance under PMEGP. In the process, the weaker section i.e. SC, ST, OBC, Minorities, Women, Ex-Servicemen, Physically Handicapped will avail 100% and General Category beneficiaries will avail 50% assistance towards Promoter's contribution/Beneficiary's contribution.
5. **Applicable Period**—Period of Top-up subsidy towards Promoter's contribution under PMEGP shall be for the Financial Year 2020-21. Extension of the Scheme for further period may be decided by the State Government considering the pandemic COVID-19 situation.
6. **Funds Management**—(A) The Director of Industries, Odisha in consultation with RIC/DIC and all other Sponsoring Agencies will estimate the requirement of funds and furnish the requisition to the M.S.M.E. Department for placement of funds well in advance for the year.  
(B) The State Government in M.S.M.E. Department will place the funds with Directorate of Industries, Odisha, who ultimately transfer the required funds to the RICs & DICs.
7. **Procedure**—(A) The Financing Bank Branch will intimate the amount of the Promoter's contribution to the Regional Industries Centre (RIC)/District Industries Centre (DIC) irrespective of Sponsoring Agency, (i.e. Regional Industries Centre (RIC)/District Industries Centre (DIC), State Directorate of Khadi and Village Industries Commission (KVIC), Odisha Khadi and Village Industries Board (OK&VIB), Regional Office Coir Board, Bhubaneswar) and also to the beneficiary for sanction of loan under PMEGP.  
(B) General Manager, Regional Industries Centre (RIC)/District Industries Centre (DIC) will decide & deposit the Top-up subsidy towards Promoter's contribution, as applicable, in Financing Bank Branch against the beneficiary loan account as per the category of the beneficiary. (i.e. SC, ST, OBC, Minorities, Women, Ex-Servicemen, Physically Handicapped will avail 100% and General Category will avail 50% of the prescribed beneficiary's contribution @ 05%/10%, respectively) under due intimation to the beneficiary.  
(C) In case of General Category beneficiary, after availing Top-up subsidy, the balance amount of Promoter's contribution/Beneficiary's contribution will be deposited by the beneficiary for sanction of loan.  
(D) During the current financial year, where the beneficiary has already deposited beneficiary's contribution and sanction or sanction & disbursement has been effected, in that case, the Financing Bank Branch will intimate the amount of the beneficiary's contribution deposited by the beneficiary in the Bank Branch to the concern Regional Industries Centre (RIC)/District Industries Centre (DIC) irrespective of Sponsoring Agency. General Manager, Regional Industries Centre (RIC)/District Industries Centre (DIC) will decide & deposit the Top-up Subsidy towards beneficiary's contribution/Promoter's contribution, as applicable, in Financing Bank Branch against the beneficiary loan account as per the category of the beneficiary. After deposit of the Top-up subsidy by RIC/DIC, the concern Bank Branch shall refund/reimburse the equal amount to the beneficiary under due intimation to the concern General Manager, RIC/DIC.

(E) After disbursement of loan installment(s) and grounding of the project/commencement of production/operation, concerned RIC/DIC and the Financing Bank Branch, jointly, will intimate the utilization of Top-up subsidy to the Directorate of Industries.

8. **Utilization & Audit**—RIC/DIC will submit certificate of utilization of funds under Top-up subsidy to the Directorate of Industries, Odisha in the form prescribed under OGFR. The consolidated utilization certificate against the utilized funds will be submitted by Directorate of Industries, Odisha to the M.S.M.E. Department and A.G., Odisha. The A.G., Odisha on receipt of such reports will cause audit of the accounts.
9. **Maintenance of Records**—The receipt, deposit in the beneficiary loan account in the Bank Branch, utilization etc. of Top-up subsidy shall be monitored both electronically & manually at RIC/DIC, Financing Bank, Directorate of Industries, Odisha Level.
10. **Recovery**—In case the enterprise fails to commence production/operation except force majeure/natural calamity/pandemic or for the reasons beyond control of the beneficiary or in case the Banks advance goes 'bad', or if the information furnished by the beneficiary is found to be false/incorrect/misleading or misrepresented and there has been suppression of facts/materials or paid in excess of the amount actually admissible for whatsoever reason, the Top-up subsidy shall be recovered by the Financing Bank from the beneficiary under the provision of OPDR Act as arrears of land revenue and paid back to the Government in M.S.M.E. Department through RIC/DIC & Director of Industries, Odisha.
11. **Miscellaneous**—11.1. RIC/DIC/Directorate of Industries, Odisha/Financing Bank Branch may inspect the assisted project, if felt necessary.  
11.2. Any change in facts or circumstances affecting the eligibility of the enterprise shall be intimated by all Sponsoring Agencies/Financing Bank/beneficiary him/herself immediately to the RIC/DIC/Directorate of Industries, Odisha.
12. This has been concurred in by Finance Department in their File No. FIN-ES2-MISC-0072-2020.

By order of the Governor

SATYABRATA SAHU

Principal Secretary to Government