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Khadi & Village Industries Commission
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No.PMEGP/Cir-Guide/B&FL/2013-14

Date:23.09.2013

CIRCULAR

Sub.: Accreditation of Entrepreneurship Development Programme (EDP) Centers under PMEGP-reg.

Commission in it's meeting No. 614 dated 26th June, 2013 deliberated on the status of Entrepreneurship Development Programme (EDP) Centers and expressed the view that, there is an apprehension that some of the EDP Centers are not working as per the norms and not having requisite infrastructure for implementing the EDP programme. Since the EDP centers were accredited during 2008-09 and no fresh accreditation has been called for through public advertisement following the GFR norms, it has been decided that all the States/Divisional Offices of KVIC should invite fresh applications from interested training centers/reputed NGOs having requisite infrastructure for accreditation.

198
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2. Accordingly, in supersession of all previous circulars and the Commission's directions, the following is decided in respect of accreditation of EDP Training centers:-

I) Objectives of EDP:

- a. To impart knowledge on the concept of entrepreneurship, its challenges and prospects.
- b. To develop entrepreneurial competencies of viz., achievement motivation, risk taking ability, confidence, goal setting ability of the potential entrepreneurs.
- c. Impart knowledge on procedure and formalities of setting of an enterprise.
- d. Develop skills on management of a unit establishment including financial and marketing.
- e. To impart knowledge on identification of industries opportunities and preparation of its plan.

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M. Chinnappa
all circulars
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II) Eligibility Criteria:

- A) The following training centers will be automatically accredited for EDP :-
 - i. MSME Departmental training centers like IIE, NI-MSME, NISBUD etc.
 - ii. Training centers of Central and State Government.
 - iii. Departmental Training Centers of KVIC/KVIB.
 - iv. PSB'S training centers like RUDSETI, RSETI, etc.

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2

- B) The following training centers are eligible for EDP accreditation subject to fulfilling eligibility criteria of infrastructure, technical competency etc. as specified in the circular after physical verification and confirming the same :-
- 1) Training Centers/Institutions registered under Societies registration Act/Charitable Institutions/NGO or Educational / Vocational/Technical Institutions (ITI, Polytechnic, and Engineering College) or Institutions Engaged in SDP including non-departmental training centers aided by KVIC /KVIB.
 - 2) The training institute must be situated in such area where public transport is easily available.
 - 3) Institute should have own/leased office Building, at least 2 Class rooms (50 intake capacity) with LCD Projector, Power supply, potable water with Hostel facility etc.(lease of training hall and accommodation should be for a minimum period of 3 years).
 - 4) The institute must have Landline Phone, Fax and internet connectivity in the premises.
 - 5) Permanent faculties having knowledge of Technical, Economics, Environmental, Accounting, Taxation, Marketing, Entrepreneurship etc, who can teach the syllabus given by KVIC along with the other administrative supporting staff preferred.
 - 6) The Institute must have 3 year's minimum experience of conducting similar courses in the institute.
 - 7) Competency of the training center/Institute and fulfillment of above criteria is to be certified by the concerned State/Divisional Director, KVIC/KVIB/DIC.

III) Method of Selection:-

- a) All the training centers other than as mentioned in II (A), will have to undergo the process of fresh scrutiny, selection and will have to comply terms and condition for imparting for the EDP Training.
- b) Taking into consideration the strength of institute/training centers as mentioned in para No.II (A) and the target sanctioned under EDP State/Divisional Directors will invite applications from interested agencies for EDP accreditation through public tender process observing GFR norms for smooth implementation of 3 days/Two weeks EDP training under PMEGP scheme.
- c) The eligibility conditions are specified at II (B).
- d) Implementing agency (KVIC/KVIB/DIC) will ensure physical verification certifying that, **"the training Center/Institute is having required infrastructure and technical competency, man power etc."** and comprehensive proposal will submit to concern State Director, KVIC who is the Chairman of the Committee.

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406

3

- e) The Committee constituted for selection of e-tracking and physical verification of agencies shall also select and recommend the training centers/institution for EDP. Based on the recommendation of the committee concerned Zonal Dy.CEO, KVIC will accord the approval of accreditation.
- f) The concerned State Director KVIC will issue accrediting/de-listing certificate for all the EDP institutions of State and UT's for KVIC/KVIB/DIC and consolidate updated list should send to Directorate of PMEGP.

IV) Validity of Accreditation:-

- a) The accreditation is valid for 2 (two) years and tenure can be extended for a further period of 1 (one) year provided the work is found satisfactory by the implementing agency i.e. KVIC/KVIB/DIC and provided, the services of the Institution/ training centers are required.
- b) However the accreditation can be cancelled at any point of time in case it is found that, the Training Center/ Institution is not fulfilling the laid down norms of KVIC for imparting EDP training.
- c) As a Check-up System, the State/Divisional Director or nodal officer KVIC have to randomly verify the Training Center/Institution and its infrastructure periodically, at least once in a year (preferably in the training period)and report to the State Director for feedback.
- d) The institute/training should execute the agreement between KVIC and accreditation training center.
- e) After completion of two years validity, the renewal of one year is permitted to impart EDP training to accredited training centers. However, after three years if training centers and KVIC is intended to continue the accreditation, the same should be again re-verify and complete the accreditation procedure as mentioned above and fresh agreement may be executed between KVIC and training centers/Institute.

V). Duration and syllabus of EDP training:-

- a) As per the Scheme guidelines, duration of Entrepreneurship Development Programme (EDP) is as given under:

Two weeks (10 working days) for industrial activities and 3 (Three) days for Service activities project costing up to Rs. 2.00 lakhs, **EDP training was mandatory before release of first installment of loan sanctioned to beneficiaries.** However, this condition was waived to reduce the time lag for release of M.M. from Nodal Branches to beneficiary's account. It is also decided that the sanctioning authorities need not wait for completion of EDP for disbursement of loan and in such cases, financing bank and concerned implementing agencies should ensure that the beneficiaries will have to complete EDP training within 12 months from first release as applicable duration.

- b) The training center should give the training as per the syllabus and guidelines issued by the KVIC from time to time.

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405

VI) Remuneration and other Charges:

The charges/fees payable to accredited training centers/ Institutions are as under:

- a. An amount of Rs.4055/- (Rupees Four Thousand Fifty Five Only) for 2 weeks training per head for 20 trainees batch.
- b. An amount of Rs.910/- (Rupees Nine Hundred Ten Only) for 3 days training per head for 20 trainees batch..
- c. Reimbursement of expenditure incurred on boarding charges on day scholar basis restricted to the above mentioned limit.
- d. The institute/center should complete the training and institute/center is not eligible to claim any part of training given under EDP.
- e. KVIC holds the right to revise the above charges/fees at any point of time.

ESTIMATED CONSOLIDATED EXPENDITURE FOR DEPARTMENTAL/ NON- DEPARTMENTAL TRAINING CENTRES PER BATCH

(Amount in Rs.)

| Sr. No | Head of Expenditure | Expenditure for 2 weeks | | Expenditure for 3 days | |
|--------|-------------------------|--|---|---|---|
| | | State & Central Govt. Aided Training Centers, KVIC/ KVIB Training Centers (Specified in point NO.II (A)) | Accredited Training Centre (Specified in point NO.II (B)) | State & Central Govt. Aided Training Centers, KVIC/KVIB Training Centers (Specified in point NO.II (A)) | Accredited Training Centre (Specified in point NO.II (B)) |
| 1 | Lodging of Participants | 15,000.00 | 15,000.00 | 3000.00 | 3000.00 |
| 2 | Boarding | 33,600.00 | 33,600.00 | 7,200.00 | 7,200.00 |
| 3 | Guest Faculty | 17,500.00 | 17,500.00 | 4,500.00 | 4,500.00 |
| 4 | Study material | 4,000.00 | 4,000.00 | 1,000.00 | 1,000.00 |
| 5 | Stationary/Printing | 2,000.00 | 2,000.00 | 500.00 | 500.00 |
| 6 | Misc Expenditure | 4,000.00 | 4,000.00 | 1,000.00 | 1,000.00 |
| 7 | Incentive to Institute | 5,000.00 | 5,000.00 | 1,000.00 | 1,000.00 |
| | Total | 81,100.00 | 81,100.00 | 18,200.00 | 18,200.00 |

VII) Distribution of EDP training target:

- a) The implementing agencies i.e. KVIC/KVIB/DIC will allocate the nos of Trainees to the accredited Training Centers considering the capacity/projects sanctioned, target received etc. time to time of the training centers for completing the EDP training. However, if there is any query, the issue may be placed before the selection Committee and as per the finding/recommendation the concerned Zonal DY. CEO, KVIC will resolve the issue.
- b) The implementing agencies may give preference to KVIC's MDTCs/ RUDSETIS/MSME Training Centers wherever available for giving EDP training.

404

VIII) Feedback and reporting:-

The Ministry of MSME pressing hard for the feedback/reporting of the Scheme. Hence to update the information in time it is decided that:-

- a) The training center should submit the monthly EDP Training progress bifurcating the social category like SC,ST,OBC, others etc and women immediately from the last day of training to the concerned State/Divisional office, KVIC.
- b) On completion of the EDP Training the certificate of the training will be issued under the signature of one representative of the concerned KVIC/KVIB/DIC and one authorized signatory of the training center.
- c) The certificate should be in the enclosed prescribed format which is approved by KVIC.
- d) The Asstt. Director/Nodal Officer (PMEGP) should randomly visit the training center at least twice in a year when EDP is in progress and report status to the concerned Director.

IX) Performance Standards:

The accredited training centre/institute shall undertake to perform the assignment with the highest standards of professional and ethical competence and integrity.

X) THE REIMBURSEMENT OF EXPENDITURE:-

All State/Divisional Directors, KVIBs and DICs will ensure to conduct quality EDP training to the PMEGP beneficiaries on time in their jurisdiction. The expenditure of EDP may also be reimbursed to the respective Accredited EDP training centers/Institutions by obtaining the requisite statement of expenditure/vouchers etc. The re-imbursment of expenditure claim should be reached immediately after completion of the said training to the concerned office of KVIC/KVIB/DIC with following details:

- a) Attendance sheet of the individual participants, evolution report, response sheet.
- b) The books of accounts of the training centers are duly verified and certified by the Chartered Accountants and/or further audited by Statutory Audit authorities.
- c) The nature of control and monitoring mechanism over the training centers by their parent department, if any.
- d) It may be ensure by KVIC/KVIB/DIC that the number of candidates of each batch (20 trainees in each batch) may be under gone EDP training.
- e) The verification of expenditure for the EDP should not be confined to the statement of expenditure, but also ascertain the facts through all collateral evidence.
- f) The claim may also be reimbursed on prorata basis to the Training centers.

403

- g) The training center should enclose joint photograph of the each participant and the authority of the training Center.
- h) The training center should submit the claim immediately and the concern office should clear it immediately so that the available fund position can understand.
- i) The KVIC, KVIB and DIC to ensure that the reimbursement claim of the accredited NGO training centers are pre-audited by KVIC audit team.

XI) Termination/Withdrawing of accreditation:-

- a) If at any point of time, it is observed by the State/ Divisional Director, KVIC that the performance of accredited agency is not satisfactory, then based on the recommendation and justification of State/Divisional Director, KVIC, KVIB and DIC the accreditation will be withdrawn/ terminated with the approval of concerned zonal Dy.C.E.O. KVIC. KVIC reserves the rights to claim damages/penalty if required in case of any omissions / commissions committed by the accredited training center adversely affecting KVIC's interest/image.
- b) In case the accredited training centers intended to discontinue the EDP training under PMEGP, the training Center/institute will inform to concerned KVIC State/ Divisional office, KVIB and DIC and the concerned KVIC State/Divisional Office with his views/recommendation the programme will be discontinued with the approval of concerned Zonal Dy.C.E.O., KVIC. Such institute/training center will not become eligible for the period of two years to re-accredite for EDP training under PMEGP.

XII) Agreement between KVIC and Accredited Training Center/institutions as mentioned in II (B)

The institution/center explained in para No.II (B) will have to enter into agreement with KVIC.

XIII) No Liability to KVIC:

KVIC shall not be responsible or accountable to training centers for the employees and officers employed by the training centers who shall work on the assignment and all the personnel appointed by training centers shall be the employees of training center exclusively and under the responsibility of Accredited Training Centre/Institute for such matters as payment of salaries and wages, bonus, compensation, contingency benefits and compensation in the event of death, accidents etc. All employer/ employee disputes between Accredited Training Centre/ Institute and its employees and agents shall be dealt with by training center/Accredited Agency at its own cost without recourse to KVIC.

402

There shall be no contractual nexus or privity between KVIC and the officers and its agents appointed by Accredited Training Centre/Institute and KVIC shall not be liable in anywise (employer - employee relationship, legal and financial) to such personnel who shall be the exclusive liability and responsibility of the Accredited Training Centre/Institute.

XIV) Maintenance of Accounts and Audit.

Accredited Training Centre/Institute shall maintain separate books of Accounts for the amounts received from the KVIC/KVIB/DIC and shall allow such books of accounts to be inspected/audited by the Auditors / Officers/agents of the KVIC.

XV) Amendment to Agreement:

Accredited Training Centre/Institute and KVIC may make amendment to this agreement as per requirements, by mutual consent, in writing.

XVI) Indemnity.

If any false/irrelevant EDP training reports are furnished by the accredited training centre or any legal issue arises on the EDP training and any financial losses incurred by KVIC/KVIB's/DIC's on that count, the Accredited Training Centre/Institute shall indemnify the KVIC against such losses.

XVII) Force Majeure :

Accredited Training Centre/Institute shall not be held responsible for delay in fulfillment of their respective obligation under this agreement due to exigency of one or more force major events like floods, fire etc., provided on the occurrence of such events, the accredited training centre shall give one month notice to the KVIC within occurrence of such event.

XVIII) Events of Dispute:

If a dispute arises out of or in connection with this contract/ agreement, or in respect of any defined legal relationship associated herewith or derived there from, the parties agrees either to seek an amicable settlement of that dispute by conciliation under the ICADR Conciliation Rules, 1996 or to submit that dispute to Arbitration under the ICADR Arbitration Rules, 1996. The authority to appoint Conciliator/Arbitrator shall be the International Centre for Alternative Dispute Resolution.

The place of conciliation /arbitration proceedings shall be as decided by concerned Zonal Dy. C.E.O., KVIC".

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
However, agreement and its interpretation shall be subject to the exclusive jurisdiction of the courts in/(place where office of Concerned State Office, KVIC is situated).

The new list of the EDP training should be made available within a period of three months from the date of issue of this circular. A panel of EDP training centers valid for two years should also be drawn. And the list of the same should be sent to the Directorate of PMEGP for placing the same on KVIC/PMEGP website. The present EDP training centers will continue till fresh list of EDP training centers are finalized.

Above activity should be taken up on **TOP PRIORITY** and compliance report be sent.

This is issued with the approval of FA, CEO and Chairman, KVIC.

Encl: ~~As above~~ (Draft Agreement)


(K.S. RAO)
Director (PMEGP)

Copy for information and necessary action to:


1. All Zonal Dy. Chief Executive Officers
2. State/Divisional Directors, KVIC
3. C.E.O., KVIB of State/U.T.
4. Director/Commissioner, Industries

Copy to:

1. Joint Secretary, Ministry of MSME, Govt. of India, New Delhi, for kind information.
2. Hon'ble Members of KVIC - for kind information.
3. Principal Secretary, Industries, State Government.

Copy in Central Office, KVIC, Mumbai:

1. Secretary to Chairman - for kind information.
2. OSD to CEO Cell - for kind information.
3. AO, FA Cell - for kind information.
4. CVO Cell - for kind information.
5. Senior PA, Jt. CEO Cell - for kind information
6. All Programme/Industry Directors, Mumbai.
7. Director (IT) - for placing on website
8. Director (Publicity) - for publishing in Jagriti
9. Director (Hindi Cell) - for translating the Circular in Hindi.


(K.S. RAO)
Director (PMEGP)