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KHADI AND VILLAGE INDUSTRIES COMMISSION
3, IRLA ROAD, VILE PARLE (WEST), MUMBAI - 400 056

No: PMEGP/Phy.verification/2011-12

June 24, 2011

C I R C U L A R

Sub: Concurrent Evaluation of PMEGP units during 2010-11
Ref: Circular No. PMEGP/Phy.veri./2010-11 dt.28.9.2010

During the Core Group Meeting held under the Chairmanship of Secretary, Ministry of MSME on 15.9.2010 at New Delhi, it was discussed that to study the pace of implementation of PMEGP as well as evaluate the quality of implementation, concurrent evaluation of PMEGP units should be done by KVIC through an outside agency. It was also discussed that though as per the scheme, 3 years has been kept for lock in period for margin money and physical verification is to be conducted thereafter a large number of units with small project size below Rs. 5.00 lakhs and also service projects can be set up in a lesser period say a year or so. Accordingly circular on concurrent verification had been issued and filed offices are in the process of concurrent verification for the year 2009-10 in respect of PMEGP units. This needs to be expedited.

2. Since, physical verification is to be completed before expiry of lock in period of three years. State Director should ensure conducting of timely physical verification of the units and exercise should be completed before completion of lock in period, which may be noted for compliance.

3. Concurrent verification is to be conducted in respect of units sanctioned in 2010-11 also and for this purpose following units sanctioned during the first two quarters of 2010-11, may be taken up to study the status of setting up of units, time taken, provision of regular monitoring etc. Questionnaire for concurrent verification sent earlier is enclosed for ready reference.

- (i) Service units
- (ii) Units with project cost less than Rs. 5.00 lakhs

4. State Directors should carry out the concurrent verification for PMEGP units detailed above for the field offices and covering all the agencies i.e. KVIC, KVIBs and DICs.

5. In case it is not possible to involve the agency selected for physical verification for this purpose fresh tenders may be floated and GFR norms to be followed for this purpose.

6. Selection of Committee constituted for physical verification should be utilized for the purpose of selecting agency for concurrent evaluation also.

7. Budget provision for selection of agency has already been communicated to all the State Offices for 2011-12 which should be utilized for this purpose.

8. Concept note for concurrent verification is also enclosed for ready reference.

hmn 24.6.11
(J.S. Mishra)
Chief Executive Officer

Copy for information and immediate compliance:

1. All State/Divisional Directors of KVIC
2. All Zonal Dy. CEOs, KVIC
3. CEOs/M.D. of all KVI Boards
4. Director of Industries of all State/UT Govt.

Copy for information to:

1. The Jt. Secretary, Ministry of MSME, Udyog Bhavan, New Delhi.
2. All Zonal Members of KVIC
3. Secretary, Industries/IDC of all the States and Union Territories
4. CMDs of all Public Sector Banks
5. Director (IT) for website
6. Director (Publicity) for publishing in Jagriti
7. Secretary to Hon'ble Chairperson, KVIC
8. OSD to CEO, KVIC
9. A.O. to FA
10. A.O. to CVO
11. Sr. PA to Jt. CEO
12. All Industry/Programme Directors in Central Office.

NOTE ON CONCURRENT VERIFICATION OF PMEGP UNITS

1. During the Core Group Meeting held under the Chairmanship of Secretary, MSME on 15.09.2010 at New Delhi, it was discussed that to study the pace of implementation of PMEGP as well as evaluate the quality of implementation, concurrent verification of PMEGP units should be done by KVIC through an outside agency.
2. Though as per the Scheme a period of three years has been kept by which the unit is expected to be set up and physical verification is conducted thereafter, it was felt that a large number of units with small project size below Rs.5.00 lakhs and also projects related to Service Sector take much lesser time, say, a year or so to be set up. Around 40 percent of PMEGP units are falling in the service category. Accordingly, concurrent verification could be taken of such PMEGP units by outsourcing an independent agency at state level.

Modalities :-

1. For the purpose of conducting 100% physical verification of PMEGP units, it has already been decided to select an outside agency at State level for which the process is already initiated. Since this agency will be taking up physical verification of PMEGP units, it is proposed that it may also be given the task of conducting concurrent verification of units sanctioned during 2009-10 whose project size is less than Rs.5.00 lakhs.

2. The evaluation will focus on the following areas.

- i) Profile of beneficiary i.e. SC/ST/Minority etc, Gender, education etc.
- ii) Project details e.g. project cost, nature of production, product details etc.
- iii) Status of setting up of unit i.e. whether building/workshed is set up, electrical/water connection taken, machinery installed, production started, employment generated etc(detailed format enclosed).

3. State/Divisional Directors may therefore involve the selected agency for concurrent evaluation which will also include taking photographs of the beneficiary, unit, machinery as well as products so that a data base could be built up for the purpose of marketing as well as for related references and queries received from Parliament, Ministry etc. This will also facilitate remedial measures and review of bottlenecks if any found during concurrent evaluation study.

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QUESTIONNAIRES FOR CONCURRENT VERIFICATION OF PMEGP UNIT

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**PART - I
(ENTREPRENEUR'S DETAILS)**

1	Name of the Entrepreneur	
2	Postal Address With Pin Code & Phone/ Mobile No./E-Mail, if any	
3	Source of information about PMEGP.	
4	Whether the Entrepreneur undergone any skills development of any other training, if so, details	
4	Category & Sex of Entrepreneur (Gen./SC/ST/OBC/PH/ Ex.Ser/ Minority/ Women/HBT/NER, and A& Nicobar, Lakshadweep Islands)	Category Sex
5	Educational/Technical qualification	
6	Name of the Unit	
7	Address & Location of the Unit	
8	PAN / TAN /VAT No., if any	
9	Sponsoring agency (KVIC/KVIB/DIC)	
10	Date of DLTC Meeting	

**PART - II
(DETAILS OF PROJECTS)**

11	Nature of activity (production/service with details of product)	
12	Total Project Cost (as per the application) Rs.....	i) Building/Workshed Rs. ii) Machinery Rs. iii) W.C./C.C. Rs. iv) own contribution Rs.
13	Employment Envisaged in the project	i) Full Time ii) Part Time iii) Seasonal
14	Annual production capacity of the manufacturing unit as per project	Qty. (with unit) Value (Rs.)
15	Annual expected sales as per project	Qty. (with unit) Value (Rs.)
16	Name and address of the financing bank with bank code No.	
17	Project sanctioned by bank (Rs.)	i) Term Loan Rs. ii) C.C. Rs. iii) Own Contribution Rs.
18	Bank loan disbursed with date (Details of Installments)	i) Term loan Rs. ii) WC/CC Rs.
19	EDP Training with Date /period (two weeks/three days)	Date Duration
20	Margin money claim No. /date /amount	Claim No. Date Amount

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PART - III
(PHYSICAL STATUS OF THE UNIT)

21	Date of visit for concurrent evaluation	
22	Status of Production (date of commencement)	
23	Location of unit (Rural/Urban)	
24	Whether activity comes under negative list? (Yes/No)	
25	Whether unit fulfilled the criteria of per capita investment, such as Rs. 1.00 lakh for plain area and Rs.1.5 lakhs in hill /border & NEZ (Yes/No)	
26	Whether own land available? (Yes/No)	
27	Whether shed/ building constructed? (Yes/No)	
28	Whether premises acquired on Rent OR lease? If yes, date of acquisition and validity period? (the acquisition should not be less than three years)	
29	Status of installation of machinery/equipments with date	
30	Status of Water connection with date	
31	Status of Electricity connection with date	
32	Production Month wise Quantity & Value after commencing production (for manufacturing unit)	1.Qty (with unit) 2.Value Rs.
33	Sales Month wise Quantity & Value (actual) after commencing production	1. Qty (with unit) 2. Value Rs.
34	Sales Tax Registration number & date	
35	SSI Registration number & date (both temporary & permanent) , if any	
36	Whether prominent sign board on sight? (Yes /No)	
37	Employment (No) (with category like SC/ST/OBC/ Minority/ Woman etc.)	Full time Part time Seasonal
38	Status of unit (working/setup but not working/under setup)	

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PART - IV (Evaluation /Suggestion)		
39	Feed back from bank about the beneficiary and PMEGP unit	
40	Time taken for sanction the loan	
41	Time taken for disbursement of sanction of loan	
42	Whether adequate funding to the activities set up by beneficiaries?	
43	Whether collateral security free loan sanctioned? (Yes/No)	
44	Whether sanctioned loan covered under CGTMSE Scheme? (Yes/No)	
45	Whether EDP training conducted satisfactorily? If not, suggestion of beneficiary/inspecting official if any	
46	Marketing arrangement of the product produced by the beneficiary.	
47	Any suggestion to improvement in the implementation of PMEGP Scheme	
48	Remark/recommendations of concurrent evaluation official	

Signature
Financing Bank Manager
(With seal)

Signature
Name :
Designation :
Office Address
of the verifying Officer :

Signature of Beneficiary