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**KHADI AND V.I. COMMISSION**  
**3, IRLA ROAD, VILE PARLE (WEST), MUMBAI - 56**

No: PMEGP/REGP/PV/2010-11

Date: 26.08.2010

**CIRCULAR**

Sub : Guidelines for conducting Physical Verification in respect of REGP units sanctioned during 2007-08 and prior to 2007-08 - reg.

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**Background:**

Rural Employment Generation Programme (REGP) has ceased to exist w.e.f. 31.03.2008 and a new Credit Linked Subsidy Scheme Prime Minister's Employment Generation Programme (PMEGP) has been launched w.e.f. 26<sup>th</sup> September, 2008 by merging REGP and PMRY schemes. Khadi and Village Industries Commission has been designated as single nodal agency at National level for monitoring the scheme by Ministry of MSME.

2. KVIC has issued Office Order No. 1998 dated 30<sup>th</sup> May 2006 in supersession of all previous guidelines/circulars issued for conducting physical verification in respect of REGP units. There was a provision in O.O. No.1993 to conduct physical verification of REGP units on random sampling basis. After launching PMEGP it was decided to conduct 100% physical verification of REGP units pertaining to 2007-08 and PMEGP units established from 2008-09 onwards by outsourcing an independent agency. Accordingly, **Agricultural Finance Corporation Ltd., Mumbai** had been awarded the work for conducting physical verification of REGP units sanctioned during 2007-08 in four states i.e. Maharashtra, Chattisgarh, West Bengal & Meghalaya on pilot basis which is in progress.

3. Request / representations are being received from the State KVIC, KVIB, Banks and beneficiaries for prompt conduct of physical verification and issuance of adjustment letters for REGP units sanctioned during 2007-08, since the two year lock-in-period of MM has already lapsed by 31.03.2010.

4. **Modalities for conducting physical verification of REGP units financed during 2007-08 and prior to 2007-08 if any:**

In view of above, it is decided that all the remaining field offices except those four states mentioned above, may conduct physical verification on random sampling basis as per Office Order No.1998 dated 30<sup>th</sup> May 2006.

5. **Release and settlement of REGP residual claims**

As regards REGP pending residual claims pertaining to 2007-08 where margin money is not locked with banks and funds are required for adjustment the same may be verified as per list provided to Central Office earlier. The State/Divisional offices should ensure that no new cases other than the previous list will be listed out for pending residual REGP claims. This is required for verification and confirmation of claims. Sanction of funds for residual REGP claims is yet to be received from Ministry, MSME, hence only after sanction is received from Ministry of MSME, those claims can be settled.

6. All the State/Divisional Directors as well as CEO/MD/Secretary State, KVI Boards are requested to adhere to the REGP guidelines while conducting the verification and issuing the adjustment letters and call back the ineligible margin money of REGP units sanctioned upto 31-03-2008 and remit the same to Central Office, KVIC, Mumbai. This work may be completed by 31-12-2010 and the consolidated report be furnished to Directorate of PMEGP, Central Office.

7. This circular is brought to the notice of all concerned for immediate compliance.



( J. S. Mishra )  
CHIEF EXECUTIVE OFFICER

Copy for information and immediate action :

1. All State/Divisional Directors, KVIC.
2. All C.E.O./M.D., KVIB

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- 3 All CMDs of Public Sector Banks
- 4 All Zonal Dy.CEOs, KVIC
- 5 Secretary to Chairperson.
- 6 OSD to C.E.O.
- 7 A.O. to F.A. Cell
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- 11 Director (IT) for web-site
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- 13 Director (Hindi Cell) with a request to issue  
Hindi version.



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**Khadi and Village Industries Commission**  
**3, Irla Road, Vile Parle (West), Mumbai -56**

No: PMEGP/Phy.veri/2010-11

September 28, 2010

**C I R C U L A R**

Ref: Corrigendum to circular on physical verification of PMEGP units issued vide No. PMEGP /Phy.Veri / 2010-11 dt.9.9..2010. & Corrigendum dt.16.9.2010

Sub:-Concurrent evaluation of PMEGP units for outside agency.

During the deliberation in the Core Group Committee meeting held under the Chairmanship of Secretary, Ministry of MSME, on 15.9.2010 at New Delhi it was decided that to keep pace of implementation of PEMGP from time to time, concurrent evaluation should be carried out by a third party of PMEGP units being set up in the country.

2. Accordingly it has been decided that the agency being selected for 100% physical verification of PMEGP units may also be extended the scope of work for concurrent evaluation of PMEGP units being set up in the State.

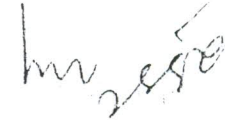
3. The State/Divisional Directors may, therefore, take note for compliance. Zonal Dy. CEOs may monitor the compliance.

Physical verification- circular evaluation study

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Matter MOST URGENT.



(J.S. Mishra)  
Chief Executive Officer

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3. CEOs/M.D. of all KVI Boards
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7. Secretary to Hon'ble Chairperson, KVIC
8. OSD to Chief Executive Officer, KVIC
9. A.O. to Financial Adviser, KVIC
10. CVO Cell, KVIC
11. Jt. CEO Cell, KVIC
12. All Industry/Programme Directors in Central Office.

Physical verification- circular evaluation study

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KHADI AND VILLAGE INDUSTRIES COMMISSION  
IRLA ROAD, VILE PARLE (WEST), MUMBAI-55

No.PMEGP/Phy.Ver./2010-11

Date : 16-9-2010

**CORRIGENDUM**

Subject : Corrigendum to Circular No. PMEGP/Phy.Ver./  
2010-11 dated 9.9.2010.

Kind attention is invited to the above mentioned Circular pertaining to tendering for Physical Verification Agency at State Level.

2. In this regard the following selection Committee is constituted for finalizing the physical verification agency at State Level :

- |      |   |                        |
|------|---|------------------------|
| i)   | State Director, KVIC  | : Chairman             |
| ii)  | CEO, KVIB or his/her nominee<br>not less than rank of Dy.C.E.O.                     | : Member               |
| iii) | Director Industries or his/her nominee.<br>not less than rank of Assistant Director | : Member               |
| iv)  | SLBC Convener or his/her nominee<br>not less than rank of AGM                       | : Member               |
| v)   | Director, DCMSME or his /her nominee<br>not less than rank of Assistant Director    | : Member               |
| vi)  | Incharges of all Divisional Office,<br>KVIC of the State—                           | : Member               |
| vii) | Dy. Director/Assistant Director/A.O.<br>State Office, KVIC                          | : Member<br>: Convener |

3. This is issued for compliance of all concerned.

*hm 16.9.2010*  
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*hmm 16.9.2017*

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CHIEF EXECUTIVE OFFICER



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**KHADI AND V. I. COMMISSION**  
**3, IRLA ROAD, VILE PARLE (WEST), MUMBAI-56**

No: PMEGP/Phy.Veri/2010-11

Date: 09.09.2010

**C I R C U L A R**

Sub: Conducting 100% physical verification of  
PMEGP Units through an Outsourced Agency  
at State Level - Reg.

As per provision of the PMEGP Scheme 100% physical verification of units through an independent Outsource Agency is mandatory. For this purpose, it has been decided that in view of the local logistics and dispersed location of units in rural and urban areas, the selection of such agencies should be done at State level by the State Directors, KVIC for the States including units coming under the jurisdiction of Divisional Office, KVIB and DIC in urban and rural areas following the tender process as per GFR norms.

2. Tender documents for this purpose along with a draft Tender Advertisement is also enclosed which need to be strictly followed for this purpose. Relevant details specific to the State like number of projects to be verified etc need to be filled-in by the concerned State Office. The complete exercise should be taken up on Top Most Priority and completed by October 2010.

3. State Directors may involve Divisional Director/Incharge, C.E.O, KVIB, Secretary/Commissioner, DIC and lead bank in the Selection Committee for this purpose.

4. For any clarification in the matter, may refer their queries to Director (PMEGP), KVIC without any delay.
5. Zonal Dy.C.E.Os should monitor this exercise to ensure timely compliance.

Matter MOST URGENT

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