



कामधे दुखनामम्।  
प्रणिनाम् उगतिनाशनम्॥



सत्यमेव जयते

खादी और ग्रामोद्योग आयोग  
KHADI AND VILLAGE INDUSTRIES COMMISSION  
मृक्ष्म, लघु और मध्यम उद्यम मंत्रालय, भारत सरकार  
Ministry of Micro, Small & Medium Enterprises, Govt of India

No. PMEGP/PV/2020-21

Date: 16.07.2020.

**CIRCULAR**

Sub: Physical verification of PMEGP units –Regarding.

Kindly refer to the Circular No. PMEGP/Policy/2018-19 dated 21.05.2018 enclosing therewith the scheme guidelines of PMEGP programme. In the said guideline point No.14 stipulates that KVIB shall ensure 100% physical verification of the unit set up under PMEGP which includes the units assisted by KVIB and DIC. The process of physical verification is to facilitate the adjustment of margin money extended to the PMEGP units within the prescribed lock-in period specified in the Scheme Guidelines.

Physical verification of units assisted under PMEGP is one of the main focus areas under the scheme. Presently, the physical verification of the units is being carried out by the agencies selected by the concerned Directors of the State. Decentralized process of selection of agencies by the State Directors and verification process takes long time resulting long pending and accumulation of units to be verified. The delay in completion of physical verification leads to Court case, Grievances etc. This issue was also flagged by PAC during its various meetings. After repeated follow-up and review with the State Directors, verification has been completed till the year 2015-16 by most of the States, but still some states lagging behind to complete the physical verification.

The Ministry of MSME suggested to carry out physical verification of units at National Level by engaging an agency for completion of physical verification on time bound manner. The Commission in its 674<sup>th</sup> Meeting held on 23.06.2020 suggested to engage an agency at National level to conduct physical verification of PMEGP units.

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In view of the above, the existing decentralized physical verification process of PMEGP units carrying out by the respective State Directors of KVIC is hence forth discontinued. The physical verification process is centralized under the Directorate of PMEGP and the units assisted from the year 2016-17 shall be verified by engaging an agency at National Level.

The State Directors who have already selected and engaged an agency for verification of the units up to the year 2015-16 shall complete the verification process and forward its report to the Directorate of PMEGP.

All the State Directors are hereby requested to take note of the above decision for strict compliance.

This is issued with the approval of Competent Authority.

Yours sincerely,

Encl: As above.

(M.Rajan Babu)  
DY.CEO (PMEGP)

To,

1. All State/Divisional Offices, KVIC
2. All State/UT KVI Boards.
3. All Zonal Dy.CEOs. of KVIC.
4. All Director, Industries, State Govt.
5. All CMDs of Bank.

**Copy for kind information to:**

1. Jt. Secretary, Ministry of MSME, New Delhi
2. OSD to Chairman, KVIC
3. OSD to CEO, KVIC
4. Jt. CEO, KVIC, Mumbai
5. OSD to CVO Cell, KVIC, Mumbai
6. OSD to FA Cell, KVIC, Mumbai
7. Dy.CEOs in Central Office, KVIC, Mumbai
8. All Zonal Dy.CEOs, KVIC.
9. All Industry/Programme Directors, KVIC, Mumbai.
10. Director (IT) with a request to place the Circular on KVIC/PMEGP website.
11. Director (Publicity) with a request to publish the same in the ensuing "JAGRITI"
12. Director (Hindi Cell) for translation in Hindi
13. Master file for record.

  
DY.CEO (PMEGP)



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