

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 694
TO BE ANSWERED ON 21.07.2022

COLLATERAL FREE LOAN UNDER PRADHAN MANTRI ROJGAR YOJANA

694. SHRI P.V. MIDHUN REDDY:
SHRIMATI CHINTA ANURADHA:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Government proposes to increase the collateral free loan of rupees one lakh provided under the Pradhan Mantri Rojgar Yojana to rupees two lakhs;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government also proposes to extend the subsidy of fifteen per cent on the project cost, up to Rs.15,000 to Andhra Pradesh at par with North-Eastern regions, Himachal Pradesh and Uttarakhand; and
- (d) if so, the details thereof and if not, the reasons therefor?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a) to (d): Pradhan Mantri Rojgar Yojana (PMRY) was earlier being implemented by the Government and it was discontinued with effect from 01.04.2008. A new scheme namely Prime Minister's Employment Generation Programme (PMEGP) was formulated and put into operation from 2008-09 by merging two employment generation schemes viz., PMRY and Rural Employment Generation Programme (REGP). Khadi & Village Industries Commission (KVIC) is the single national level nodal implementing agency for PMEGP. The scheme is implemented by KVIC, Khadi and Village Industry Boards (KVIBs), Districts Industries Centers (DICs) and Coir Board (for coir units) at State level.

Under PMEGP, financial assistance (loan) is admissible for maximum project cost up to Rs.50 lakh under manufacturing sector and Rs.20 lakh under service sector. General Category beneficiaries can avail of Margin Money subsidy of 25 % of the project cost in rural areas and 15% in urban areas. For special categories such as SC/ ST/ OBC/ Minorities/ Women/ Transgender/ Ex-serviceman/ Differently Able/ NER/ Hill, Border areas and Aspirational districts etc. the Margin Money subsidy is 35% in rural areas and 25% in urban areas.

Reserve Bank of India (RBI) instructions provide for collateral free loans to MSMEs upto Rs.10.00 lakh. Accordingly, PMEGP scheme guidelines also provide that "no collateral security will be insisted upon by banks in line with the guidelines of RBI for projects involving loan up to Rs.10 lakh forwarded to them by the agencies under PMEGP".

PMEGP Scheme is applicable across the country including the State of Andhra Pradesh.
