

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:1420
ANSWERED ON:03.08.2010
ASSISTANCE UNDER PMEGP
Meghwal Shri Arjun Ram

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

- (a) the total funds granted/released under the Prime Minister's Employment Generation Programme (PMEGP) for its various schemes, State-wise;
- (b) the criteria/guidelines adopted by the Government for release of such funds;
- (c) whether the Government has received any complaints with regard to noncompliance of guidelines for granting funds under PMEGP;
- (d) if so, the details thereof and the action taken in this regard; and
- (e) the steps taken by the Government to monitor the implementation of the scheme?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a): The State/Union Territory-wise details of funds released under the Prime Minister's Employment Generation Programme (PMEGP) are given at Annex.

(b): The Khadi and Village Industries Commission (KVIC) being the nodal agency for implementation of PMEGP assigns targets to its field offices / Khadi and Village Industries Boards (KVIBs) of States/Union Territories and State Governments. Target at District level is decided by State Level Bankers' Coordination Committee (SLBCC). The State-wise targets in respect of KVIC/KVIBs are made available by KVIC to SLBCC where overall allocation of district-wise targets is decided. Any modification of the targets for which KVIC is directly responsible is permitted only with the concurrence of the Ministry. KVIC also identifies the Nodal Bank Branches in consultation with State Governments and places the Margin Money (subsidy) with these branches both for rural and urban areas.

Further, for assigning the targets of subsidy and other parameters (number of units, employment opportunities, etc.), KVIC adopts the criteria of rural population of the state, backwardness of the State, past performance of the State under REGP/ PMEGP Scheme, urban unemployment level, etc.

(c) & (d): The decision as to whether to sanction loan to a beneficiary recommended by District Level Task Force (DLTF) is finally taken by the Banks on the basis of their own judgment. Complaints regarding insistence by Banks on collaterals even for projects having loan requirements below Rs.5 lakh, rejection by banks of cases recommended by DLTF, harassment of beneficiaries by bank staff, etc., were promptly taken up with concerned authorities and grievances were mitigated as per guidelines of the scheme. KVIC, which is the Nodal Agency has been asked to remain vigilant and alert the other implementing agencies and senior authorities of banks to ensure that genuine beneficiaries are not harassed. State Governments have also been requested to instruct the District Magistrates (who are heading the DLTF) to ensure that the cases of rejection are regularly reviewed in its meetings so that there is no arbitrary rejection of recommended cases, though Banks have the final say on sanctioning of cases.

(e): Progress of implementation of PMEGP is reviewed at the national level by the Chief Executive Officer, KVIC and periodically in the National Monitoring Committee chaired by Secretary (MSME). Government has recently formed two Core Groups in the Ministry one chaired by Hon'ble Minister and the other chaired by Secretary (MSME) where all schemes of KVIC including PMEGP are reviewed. In the State level also, progress is monitored regularly by Principal Secretary/ Chief Secretary where representatives of banks are also invited.