

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

UNSTARRED QUESTION NO:2267
ANSWERED ON:21.07.2009
REVIEW OF PMEGP
Kodikunnil Shri Suresh

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

(a) whether the Government has reviewed the Prime Minister's Employment Generation Programme (PMEGP) being implemented in the various States;and

(b) if so, the details and the outcome of the review, State-wise?

Answer

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

(a)&(b): Yes, Sir. The Union Government in the Ministry of Micro, Small and Medium Enterprises (MSME) has approved the 'Prime Minister's Employment Generation Programme' (PMEGP) in August 2008 by merging existing employment generation programmes namely Rural Employment Generation Programme (REGP) and Pradhan Mantri Rozgar Yojana (PMRY) of this Ministry. It is a significant initiative with a higher level of subsidy to beneficiaries compared to earlier two programmes, to generate additional employment opportunities (around 38 lakh) during 2008-09 to 2011-2012 with a total proposed plan outlay of Rs. 4735 crore including Rs. 250 crore for backward and forward linkages. Under this credit-linked subsidy programme, financial assistance is provided to the entrepreneurs for setting up micro-enterprises costing upto Rs. 10 lakh in service/business sector and Rs. 25 lakh in manufacturing sector. The permissible margin money assistance provided under PMEGP is as under:

Categories of beneficiaries under PMEGP	Beneficiary's Contribution (of project cost)	Rate of Subsidy (of project cost)
Area (location of project/unit)	Urban	Rural

General Category	10%	15%	25%
Special Category (including SC / ST / OBC / Minorities/Women, Ex-servicemen, Physically handicapped, NER, Hill and Border areas etc.)	05%	25%	35%

PMEGP is implemented through KVIC as the single nodal agency at the national level. At the State/Union Territories level, the scheme is being implemented through field offices of KVIC, State/Union Territory Khadi and Village Industries Boards and District Industries Centres (DICs) with involvement of banks. Detailed guidelines of the scheme are available in the Ministry's website: www.msme.gov.in.

The implementation of PMEGP has been reviewed in the Ministry, recently on 10 June 2009 with the representatives of KVIC/State KVIBs, some State Governments, Reserve Bank of India (RBI) and selected participating lead banks. It has been found that PMEGP has created tremendous enthusiasm in the country to establish micro-enterprises and 217762 applications were received by the implementing agencies in only a few months of effective time available in 2008-09. Out of this, 92884 applications have been screened by the District Task Force Committee and forwarded to banks. Banks have sanctioned loan in 36287 cases involving margin money subsidy of Rs. 506.03 crore which is estimated to generate 3.63 lakh employment opportunities in the country. The State-wise details are given at Annex.