

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

UNSTARRED QUESTION NO:1620
ANSWERED ON:01.12.2011
APPLICATIONS UNDER PMEGP
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether various development schemes for Micro, Small and Medium Enterprises (MSMEs) including Prime Minister Employment Generation Programme (PMEGP) are not achieving desired results for want of financial assistance/loan;
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) the number of applications received for loan and the number of applications sanctioned and disbursed by the banks under PMEGP in the country including Punjab during each of the last three years, Statewise;
- (d) whether the Government has made any assessment of hurdles coming in the way of providing loan by banks/financial institutions for effective implementation of development schemes for MSMEs;
- (e) if so, the details thereof; and
- (f) the action plan formulated by the Government to remove these hurdles?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH)

- (a)&(b): Financial allocations for the various schemes for Micro, Small and Medium Enterprises including Prime Minister's Employment Generation Programme (PMEGP) are made having regard to the plan outlay and annual budgetary allocation for the respective schemes. In particular, under PMEGP, state-wise allocations were made for a total amount of 823.00 crore in 2008-09, 601.20 crore in 2009-10, 1023.09 crore in 2010-11 and 1037.00 crore in 2011-12.
- (c) State/UT-wise number of applications received, number of applications sanctioned by Banks and number of cases disbursed by the Banks under PMEGP in the country including Punjab during the last three years is given at Annex I, II and III.
- (d) to (f) During the course of implementation, operational problems including delays in sanction and disbursement of loan, insistence by Banks on collaterals, etc. are taken up with the implementing agencies and Banks, on a continuing basis. Instructions have also been issued by the Reserve Bank of India (RBI) to Banks on according due priority for providing credit to micro, small and medium enterprises (MSME) sector.