

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

STARRED QUESTION NO:500

ANSWERED ON:10.05.2012

MARGIN MONEY SUBSIDY

Bajirao Shri Patil Padamsinha ;Maadam Shri Vikrambhai Arjanbhai

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

- (a) the targets set and achievements made in respect of allocation of margin money subsidy and its utilisation under the Prime Minister Employment Generation Programme (PMEGP) during each of the last three years, State-wise;
- (b) the reasons for slippages, if any;
- (c) the guidelines laid down under PMEGP for allocation of such subsidy;
- (d) whether the Government has received reports regarding the non-compliance of these guidelines; and
- (e) if so, the details thereof, State-wise and the reaction of the Government thereto?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH)

(a) to (e): A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 500 FOR ANSWER ON 10.05.2012.

(a)&(b): State/UT-wise release and utilization of margin money subsidy under Prime Minister's Employment Generation Programme (PMEGP) during each of the last three years is given at Annex I.

Funds released are treated to be utilized only when they are transferred to the financing branches of Banks for crediting in the beneficiaries' accounts. Actual performance/pace of implementation (utilization) is dependent on the overall implementation environment, and differs from State to State.

(c): The criteria for allocation of funds under PMEGP is provided for in the schematic Guidelines and include the extent of backwardness of the States, extent of unemployment, rural population and past performance, etc.

Under PMEGP, the margin money subsidy is provided for projects costing upto Rs. 25 lakh in the manufacturing sector and upto Rs.10 lakh in the 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 beneficiaries belonging to special categories such as scheduled caste/scheduled tribe /women the margin money subsidy is 35% in rural areas and 25% in urban areas.

(d): No, Madam.

(e): Does not arise.