

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

STARRED QUESTION NO:388
ANSWERED ON:07.09.2012
PRIME MINISTER S EMPLOYMENT GENERATION PROGRAMME
Reddy Shri Anantha Venkatarami

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

- (a) whether the Prime Minister`s Employment Generation Programme envisages setting up of micro enterprises;
- (b) if so, the number of applications received under the Programme during last two years and current year, State-wise and year-wise;
- (c) the number of applications sanctioned, and those pending along with the quantum of funds disbursed/pending during the above period, State-wise and year-wise;
- (d) whether the Government has taken note of the difficulties faced by the micro entrepreneurs including availing of loans under the Programme; and
- (e) if so, the details thereof and the corrective steps taken thereon?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VAYALAR RAVI)

(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. 388 FOR ANSWER ON 07.09.2012.

(a): Yes, Madam. Prime Minister's Employment Generation Programme (PMEGP) envisages creation of employment opportunities through setting up of micro-enterprises in the non-farm sector. Under PMEGP, 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 castes, scheduled tribes, OBCs, minorities, women, ex-servicemen, physically handicapped, beneficiaries belonging to NER (North Eastern Region), hill and border areas, etc., the margin money subsidy is 35% in rural areas and 25% in urban areas. The beneficiary contribution is 10% in the case of general category beneficiaries and 5% in the case of beneficiaries belonging to special categories. Balance of the project cost is provided through Bank loan. The maximum cost of projects is Rs. 25 lakh in the manufacturing sector and Rs. 10 lakh in the service sector.

(b): The number of applications received under PMEGP during the last two years and the current year is given in Annex I.

(c): The number of applications sanctioned and disbursed by banks and those pending for disbursal at the end of the year alongwith quantum of funds disbursed/pending are given in Annex II, Annex III and Annex IV.

(d)&(e): PMEGP is implemented through Khadi and Village Industries Commission (KVIC), State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs). Beneficiaries are selected by a District Level Task Force (DLTF) headed by District Magistrate-cum-Collector, which recommends applications to banks for considering sanction of loans. Difficulties faced by PMEGP applicants are taken up by KVIC, State KVIBs, DICs and District Magistrates-cum-Collectors with the banks concerned on a continuing basis.