

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

UNSTARRED QUESTION NO:1846
ANSWERED ON:01.12.2009
FUNDS UNDER PMEGP
Gangaram Shri Awale Jaywant

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 various schemes, State-wise;
- (b) the criteria/guidelines adopted by the Government to release such funds;
- (c) whether the Government has received any complaints with regard to non-compliance of guidelines for granting funds under PMEGP; and
- (d) if so, the details thereof and the action taken in this regard?

Answer

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

(a): State-wise details of margin money (subsidy) allocated/utilised by Khadi and Village Industries Commission (KVIC) under Prime Minister's Employment Generation Programme (PMEGP) during 2008-09 are given at Annex.

(b): The Government of India through Ministry of Micro, Small & Medium Enterprises releases funds to KVIC as per the State-wise distribution of target worked out by KVIC based on a number of parameters including the extent of rural population, backwardness, urban unemployment and past performance. The guidelines of the scheme are available in the Ministry's website, i.e., www.msme.gov.in

(c)&(d): While PMEGP has received good response across the country, there have been some instances where the entrepreneurs proposing to set up projects under PMEGP faced some difficulties which mainly involved delay in clearing their applications by the District Level Task Force Committee (DLTFC) and the delay in processing their applications for sanction of loan by banks. These complaints were attended to promptly and taken up at the Ministry level with KVIC, State Industries Departments and CMDs of the concerned banks for redressal. Some entrepreneurs also faced the problem of banks demanding collateral against sanction of their loan even upto Rs. 5 lakh. On the matter having been taken up with RBI, the latter have reinforced the existing instructions to banks so that entrepreneurs could avail collateral free loan upto Rs. 5 lakh under PMEGP.