

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

STARRED QUESTION NO:360
ANSWERED ON:21.03.2013
PMEGP
Dhurve Jyoti

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

- (a) the aims and objectives envisaged under the Prime Minister's Employment Generation Programme (PMEGP) including the quantum and nature of financial assistance given to the beneficiaries under the programme;
- (b) the details of employment generated under the PMEGP in the country including Uttar Pradesh and Gujarat during the 11th Five Year Plan period, year and State/UT-wise;
- (c) whether the Government had set any target under PMEGP for the 11th Plan period and if so, the details thereof including the achievements made therein year and State/UT-wise and the reasons for slippages, if any;
- (d) the awareness camps organized by the Government to educate potential beneficiaries in rural, semi-rural and urban areas under the programme during the 11th Plan period; and
- (e) the mechanism put in place by the Government to monitor effective implementation of the programme?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI K.H. MUNIYAPPA)

(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. 360 FOR ANSWER ON 21.03.2013.

(a): Government of India introduced the Prime Minister's Employment Generation Programme (PMEGP), a credit linked subsidy programme, in 2008-09 for generation of employment opportunities through establishment of micro enterprises in non-farm sector, with the following objectives:

- (i) to generate employment opportunities in rural as well as urban areas of the country through setting up of new self-employment ventures/ projects/ micro enterprises;
- (ii) to bring together widely dispersed traditional artisans/ rural and urban unemployed youth and give them self-employment opportunities to the extent possible, at their place;
- (iii) to provide continuous and sustainable employment to a large segment of traditional and prospective artisans and rural and urban unemployed youth in the country, so as to help arrest migration of rural youth to urban areas; and
- (iv) to increase the wage earning capacity of artisans and contribute to increase in the growth rate of rural and urban employment. The quantum and nature of financial assistance given to the beneficiaries under PMEGP are :

Categories of Beneficiary's Rate of subsidy
beneficiaries contribution of project cost)
under PMEGP (of project cost)

Area (location of project/unit)	Urban	Rural
General Category	10%	15% 25%

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

The maximum cost of the project/ unit admissible under manufacturing sector is Rs.25 lakh and that in service sector is Rs.10 lakh. The balance amount of the total project cost is provided by Banks as term loan.

(b): State/UT-wise estimated number of employment generated under PMEGP in the country including Uttar Pradesh and Gujarat during the 11th Five Year Plan is given at Annex I.

(c): State-wise allocation of margin money subsidy which is treated as target, as also the achievements in term of the margin money subsidy utilized, and the corresponding number of projects assisted during the 11th Five Year Plan is given at Annex II. As PMEGP is a continuing scheme of the Government, any un-utilized balance from the yearly releases of margin money subsidy during a given year is utilized in the following year and the utilization has always exceeded the yearly releases except in the year of introduction of PMEGP i.e., 2008-09, as less time was available.

(d): Government through Khadi and Village Industries Commission (KVIC), the nodal agency for PMEGP at the national level, has organized awareness camps at different parts of the country to educate potential beneficiaries in rural, semi-rural and urban areas under PMEGP. A total of 3160 such camps were organized by KVIC during 11th Plan period.

(e): The scheme is reviewed at the State-level Banker's meeting by senior functionaries of the State Governments/ Union Territories. Intensive monitoring of the scheme and periodic review with Banks is also carried out at various levels by KVIC and at national level by the Ministry for effective implementation of the programme.