

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

UNSTARRED QUESTION NO:2137

ANSWERED ON:18.12.2013

SSIS UNDER PMEGP

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

- (a) the number of projects/units established especially SSIs under the Prime Minister's Employment Generation Programme(PMEGP) as on date, State -wise, sector-wise;
- (b) the procedural modalities to avail financial assistance under PMEGP;
- (c) the details of funds provided under PMEGP Scheme in the country during the last three years, year-wise;
- (d) whether the funds provided for the same were insufficient vis-a-vis total requirement of the applicants under PMEGP Scheme; and
- (e) if so, the details there of and the reasons there for?

Answer

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

(a)&(b): Government in the Ministry of Micro, Small and Medium Enterprises (MSME) has been implementing a credit-linked subsidy programme named Prime Minister's Employment Generation Programme (PMEGP) since 2008-09 with Khadi and Village Industries Commission (KVIC) as nodal agency at the national level for generating employment in the Country by 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 North Eastern Region, hill and border areas, etc., the margin money subsidy is 35% in rural areas and 25% in urban area. The maximum cost of project is ` 25 lakh in the manufacturing sector and ` 10 lakh in the service sector. The beneficiary can submit their application through KVIC, Khadi and Village Industries Boards(KVIBs), District Industries Centre(DIC), etc., which are then placed before District Level Task Force Committees (DTFCs). DTFCs then scrutinize and forward the recommended cases to Banks for sanction of loan. After a loan has been sanctioned and disbursed by Bank, the release of subsidy is in routine. Nodal banks have standing instructions to settle the subsidy claims of financing branches as per stipulated criteria. Beneficiaries are not required to approach anybody for release of the subsidy. Village Industries activity undertaken under PMEGP has been broadly classified into seven groups namely (i) Agro Based & Food Processing Industry (ABFPI), (ii) Forest Based Industry (FBI), (iii) Mineral Based Industry (MBI), (iv) Polymer & Chemical Based industry (PCBI), (v) Rural Engineering & Bio Technology Industry (REBTI), (vi) Handmade Paper & Fibre Industry (HMPFI), and (vii) Service & Textiles.

State-wise and industry-wise number of units setup under PMEGP since 2008-09 to 2012-13 is given at Annex .

(c): Margin money subsidy released and utilized during the last three years are given below:

Year	Margin money subsidy released (Rs crore)	Margin money subsidy utilized# (Rs crore)
2010-11	877.20	891.18
2011-12	1010.24	1057.84
2012-13	1228.44	1080.66

including un-utilized balance funds of previous year.

(d): Yes, Madam.

(e): The availability of budgetary resources is kept in view while allocating the targets under PMEGP. However, in view of the large number of applications being received in almost all the states of the country, there is a need for additional funds under PMEGP to meet the requirement and thereby upscale the programme of employment generation of the Ministry of MSME so that the issue of unemployment is mitigated.