

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

STARRED QUESTION NO:371
ANSWERED ON:19.02.2014
PROMOTION OF INDUSTRIES UNDER PMEGP AND KVIC
Ram Shri Purnmasi

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

- (a) whether there is any scheme to provide loan to the scheduled castes/ scheduled tribes/other backward classes, minorities, self-employed and the below poverty line families in the country to promote industries in the rural and urban areas under the Prime Minister's Employment Generation Programme (PMEGP) and Khadi and Village Industries Commission (KVIC) and if so, the details thereof;
- (b) the details of loan sanctioned during each of the last three years, State/UT-wise;
- (c) whether the Government has constituted any task force/committee to consider and take decision on applications received for loan and if so, the details thereof including the total number of applications received/approved, State/UT-wise;
- (d) whether complaints have been received against some banks for not providing loan against the applications forwarded by the said committee; and
- (e) if so, the details thereof and the reasons therefor along with the corrective steps taken/proposed to be taken in this regard, State/UT-wise?

Answer

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

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO.371 FOR ANSWER ON 19.02.2014

(a) Government in Ministry of Micro, Small and Medium Enterprises(MSME) through Khadi and Village Industries Commission(KVIC) is implementing a credit-linked subsidy programme named Prime Minister's Employment Generation Programme (PMEGP) from 2008-09 for generating self-employment through establishment 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 to obtain Bank loans. For beneficiaries belonging to special categories such as scheduled castes, scheduled tribes, OBCs, minorities, women, ex-servicemen, physically handicapped, beneficiaries belonging to NER, hill and border areas, etc., the margin money subsidy is 35% in rural areas and 25% in urban areas. Persons Below Poverty Line are also eligible under the scheme, subject to meeting the prescribed eligibility conditions. Projects costing upto rs 25 lakh in the manufacturing sector and rs 10 lakh in the service sector are eligible under the scheme. Ministry has earmarked 13.2% of the budget allocation for SCSP and 8.9% for TSP under PMEGP during 2013-14.

(b) The State/UT-wise margin money subsidy released, utilized and the number of projects assisted during the last three years under PMEGP is given at Annex I. The State / UT- wise project assisted and margin money utilized in respect of SC & ST beneficiaries during the last three years under PMEGP is given at Annex 1(a) and 1(b) respectively.

(c) District Level Task Force Committees (DTFCs) constituted under Chairmanship of District Magistrates-cum-Collector, recommend applications to banks for considering sanction of loans. The State/UT-wise number of applications received under PMEGP during the last three years and forwarded to Banks by District Level Task Force Committees (DTFCs) as also the number of cases disbursed is given in Annex II.

(d)&(e) Complaints including those against some Banks for not providing loans against applications forwarded by DTFCs are dealt with by KVIC, State Khadi and Village Industries Boards(KVIBs), District Industries Centres(DICs) and DTFCs with the Banks concerned on a continuing basis.

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

Ministry of MSME has also recently asked KVIC to constitute District Level Advisory Committees for monitoring the progress of PMEGP at the district level under the chairmanship of the Hon'ble Member of Parliament (MP) of the district.