

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

UNSTARRED QUESTION NO:2452

ANSWERED ON:31.07.2017

Evaluation of PMEGP

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

- (a) whether the Government has conducted any evaluation study of the Prime Minister's Employment Generation Programme (PMEGP) during each of the last three years and the current year, if so, the details and outcome thereof and if not, the reasons therefor;
- (b) the number of units set up in manufacturing and business/service sector separately from the funds provided to the beneficiaries and number of employments generated therefrom under the said programme during the said period, State/UT-wise;
- (c) whether the cases of irregularities/ corruption in implementation of the said programme have been reported/come to the notice of the Government during the said period and if so, the details thereof and the reasons therefor along with the present status of such cases, State/UT-wise; and
- (d) the corrective steps taken/being taken by the Government for effective implementation of the said programme and the achievements made so far in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a): An agreement has been signed by the Ministry of MSME with the Management Development Institute (MDI), Gurugram on 30th December, 2016, to conduct the evaluation study of the PMEGP Scheme. MDI, Gurugram has submitted its preliminary evaluation study report. The key observations of the evaluation study are:

â€¢ Average Employment Per Project - 7.66

â€¢ Average Cost of Generating Unit Employment - Rs.94,856.89

â€¢ Maximum Cost of Generating Unit Employment - Rs.2,65,412.84 (Nagaland)

â€¢ Minimum cost of Generating Unit Employment - Rs.25,070.95 (Tamil Nadu)

â€¢ Average Cost per Project - Rs.7,26,759.5

â€¢ Most of the DLTFC meetings are held in third and fourth quarter

â€¢ In most cases, the loan sanction is delayed beyond the given limit of 30 days after the recommended application reaches the bank.

â€¢ Time taken to sanction loan is more for manufacturing sector than for the services sector.

â€¢ Himachal Pradesh is the state where bankers do not ask for collateral but in rest of the states collateral has been demanded for over 30% of the cases.

â€¢ In Odisha, for 100% of the cases, Collateral was demanded by banks.

â€¢ Delhi and Himachal Pradesh have reported for invoking of CGT-MSE by banks in 70-100% cases. In the rest of the states, 50% cases have been found with CGT-MSE coverage.

â€¢ Usually, Projects become NPA within first three years or early stages. It is often not noticed by stakeholders.

(b): The number of units set up in manufacturing and business/service sector and number of employments generated therefrom under PMEGP during the last three years, State/UT-wise is given in Annexure-I.

(c): Khadi and Village Industry Commission (KVIC) is national level Nodal Agency to implement PMEGP scheme all over the country. An online grievance handling system for PMEGP has been set up by the KVIC to provide prompt and online redressal. The complaints are received by KVIC regarding non-payment of loan by banks, delay in sanctioning of loan and other related matters under PMEGP from various States. The complaints are redressed by KVIC and its State Offices.

(d): Following initiatives have been taken for effective implementation of PMEGP Scheme:

â€¢ In order to streamline the process of application flow and fund flow and to bring in transparency and better financial management and to prevent parking of funds at Nodal bank level an online PMEGP-MIS web portal has been introduced. All applications and fund flow will be processed online in stipulated time frame.

â€¢ Publicity is being made through print and electronic media, awareness camps at District level and State level are being organized in order to propagate the PMEGP scheme for the development of micro industries.

â€¢ Exhibitions are also conducted at district/state/zone and national level for providing marketing support to the entrepreneurs/units.

â€¢ For speedy completion of EDP training, these are being conducted through Departmental Training Centres as well as

RSETIs/RUDSETIs as per MOU executed between KVIC & MCR.

â€¢ Industries such as Khadi, processing of Pashmina Wool, handloom and power loom units, value added products for tea, coffee, rubber etc. and transport activities are now eligible for funding under PMEGP.

â€¢ Implementing Agencies are instructed to encourage and provide necessary assistance to the beneficiaries for filing online application by setting up of help desks.

As a result of these initiatives during the Financial Year 2016-17, PMEGP has achieved maximum Margin Money disbursement of Rs.1280.93 crore (maximum since inception in 2008-09) assisting 52912 micro enterprises generating estimated employment for 4,07,840 persons.