

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

UNSTARRED QUESTION NO:1155
ANSWERED ON:01.12.2014
BANK LOANS UNDER PMEGP
S.R. Shri Vijay Kumar

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

- (a) whether the Union Government has received any complaints from various States including Tamil Nadu regarding non-payment of loan by the nationalized banks sanctioned under the Prime Minister Employment Generation Programme (PMEGP);
- (b) if so, the details thereof, State-wise;
- (c) whether any instructions have been issued to the banks to provide loans to the unemployed persons on the basis of such complaints; and
- (d) if so, the details thereof?

Answer

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

(a)&(b): No specific complaint has been received from the States/UTs including Tamil Nadu regarding non-payment of loan by the nationalized banks sanctioned under the Prime Minister Employment Generation Programme (PMEGP).

(c)&(d): As per RBI guidelines Banks are required to complete the process of sanction of loan within 30 days from the date of receipt of application and the entire process from the receipt of application to disbursement of loan is fixed at 130 days after scrutiny, appraisal and sanction by the concerned bank. To expedite the timely sanctioning of loans under PMEGP as well as their disbursement by Banks, the process is monitored at District Level by District Level Task Force Committees (DLTFs) and by State Government concerned. A District Level Advisory Committee has also been constituted under the Chairmanship of the Member of Parliament of the district for monitoring of the PMEGP Scheme. Khadi and Village Industries Commission (KVIC) and Ministry of MSME have also taken up the issue with CMDs of Banks to sensitize the bank officials on timely disbursement of credit. The process is periodically monitored at the national level by a monitoring committee for PMEGP and at State Level Banker Committee meeting by the respective state governments.