

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
STARRED QUESTION NO. *272
TO BE ANSWERED ON 06.08.2018

PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME

*272. SHRI S.P. MUDDAHANUME GOWDA:
SHRI E.T. MOHAMMED BASHEER:

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

- (a) whether loans under the Prime Minister's Employment Generation Programme (PMEGP) are being disbursed to the youth in various States including Karnataka and Andhra Pradesh;
- (b) if so, the details thereof during the last four years, State/UT-wise;
- (c) the quantum of loans given to youth in Karnataka and Andhra Pradesh under the said scheme and the targets fixed/achieved during the said period;
- (d) the steps taken by the Government to achieve the said targets;
- (e) whether the Government has made any assessment of the achievements under PMEGP, if so, the details and the outcome thereof along with the further steps being taken in this regard?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE)
FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(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.272 FOR ANSWER ON 06.08.2018

(a): Yes, Madam.

(b): Prime Minister's Employment Generation Programme (PMEGP) is a major credit-linked subsidy programme implemented by this Ministry, aimed at generating self-employment opportunities through establishment of micro-enterprises in the non-farm sector by helping traditional artisans and unemployed youth. The maximum cost of projects is Rs. 25 lakh in the manufacturing sector and Rs. 10 lakh in the service sector.

General category beneficiaries can avail 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 caste/scheduled tribe /women, the margin money subsidy is 35% in rural areas and 25% in urban areas. Beneficiary contribution for the special category persons is 5%, and for others it is 10%. Thus, it could be seen from the above that both the loan and margin money subsidy components vary from case to case based on the category of the beneficiaries and the geographical location they live in. Further, while the margin money subsidy amount released to the beneficiaries is available with the Ministry, the loan amount disbursed by the financial institutions is available only from 1st July 2016, the day on which PMEGP e-portal was launched.

Details of margin money subsidy disbursed to all beneficiaries including the youth under PMEGP in various States, including Karnataka and Andhra Pradesh, are given at Annexure-I.

Details of loan amount disbursed to all beneficiaries including the youth under PMEGP in various States, including Karnataka and Andhra Pradesh, from 1st July 2016 to 31st March 2018, are given at Annexure- II.

(c): In view of the aforesaid reasons, the targets of Margin Money subsidy and achievement for all the beneficiaries including youth in Karnataka and Andhra Pradesh under PMEGP during the last four years are given below:

(Rs.in lakhs)

Year	Target of Margin Money	Margin Money Disbursed
Karnataka		
2014-15	4512.99	6479.10
2015-16	10846.89	5898.01
2016-17	7941.62	11609.56
2017-18	5462.97	6477.94
Andhra Pradesh		
2014-15	2667.87	3492.11
2015-16	4496.85	2262.37
2016-17	4336.58	4916.08
2017-18	3933.95	5336.10

(d): The steps taken by the Government to achieve the said targets are as follows:

- KVIC has introduced PMEGP e-portal wherein the application flow and fund flow are processed online.
- The period of default for classifying as bad loans has been increased from 90 days to 180 days for MSMEs subject to fulfilling certain conditions.
- The corpus of Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) has been enhanced from Rs. 2500 crore to Rs. 7500 crore. The ceiling limit for guarantee cover is enhanced from Rs. 1 crore to Rs. 2 crore. Non-Banking Financial Companies (NBFC) have been brought under the CGTMSE scheme for loans provided to micro sector enterprises.
- Publicity is being made through print and electronic media about PMEGP scheme for the benefit of applicants.
- Awareness camps at District level and State level are being organized in order to propagate the PMEGP scheme for the development of micro enterprises.
- Exhibitions are also conducted at district/state/zone and national level for providing marketing support to the entrepreneurs/units.
- Further, the incubatees under ASPIRE-LBIs/ Tool Room and Technology centers/MSME-DIs under Ministry of MSME, NSIC/NIMSME /RSETI/NISBUD/ IIE or other Institution / agency approved by Ministry would be eligible for assistance under PMEGP on priority basis and without undergoing EDP training, if the EDP component is already included in the curriculum of the LBIs/Tool Room/Training Centers etc.

(e): The implementation of the Scheme during XII Plan has been assessed by the Ministry with the help of Management Development Institute (MDI), Gurugram. Major findings/recommendations of the Evaluation study are given below:

- i) Major impact: PMEGP has been able to provide Sustainable Employment for 4 - 5 lakh persons during each financial year.
- ii) Average Employment per Project- 7.62
- iii) Average Cost of Generating Unit Employment Rs.96, 209.00
- iv) Average Cost per Project Rs.7, 33,423.00.
- v) Lack of proper feasibility or viability analysis on part of banks at the time of sanctioning is responsible for NPAs. Key factors for NPA are disconnect among stakeholders, lack of knowledge of running unit and marketing.
- vi) EDP Training should be done in online mode and training content need to be more relevant and rigorous.
- vii) For Motivating beneficiaries to repay loans, the beneficiaries, whose Margin Money Subsidy has been successfully adjusted, need to be rewarded with an option of 2nd round of subsidized loan (with reduced % of subsidy) mainly to enhance the capacity (acquiring new technology/machinery).

Based on the recommendations of the evaluation study, the CCEA has approved the continuation of the on-going PMEGP Scheme beyond XIIth Plan for three years from 2017-18 to 2019-20 with an outlay of Rs.5500.00 Crores with some modifications, which includes;

- (i) Second loan of upto Rs. 1.00 crore to existing and better performing PMEGP units for upgrading with subsidy of 15%(20% for hill areas and NER);
- (ii) Merger of Coir UdyamiYojana (CUY) in PMEGP;
- (iii) Introduction of concurrent monitoring and evaluation;
- (iv) Mandatory Aadhar and Pan card;
- (v) Geo-tagging of units;
- (vi) Negative list under PMEGP amended allowing off Farm/Farm Linked activities and serving/selling non-vegetarian food at Hotels/Dhabas.
- (vii) Dispensing the ratio of 30:30:40 for KVIC/KVIB/DIC.
- (viii) Cap the working capital component for manufacturing units to 40% of the project cost and for service/trading sector to 60% of the project cost.

For the FY 2018-19, a total of Rs.1800.64 cr budget has been allocated for setting up of about 66,000 micro enterprises providing employment to about 5 lakh persons with margin money subsidy of Rs.1660.64. cr. About 2000 existing units would be upgraded through a 2nd loan with a subsidy of Rs.100 cr.

Annexure I referred to in reply to part (b) of the Lok Sabha Starred Question No. 272 for answer on 06.08.2018

State/UT-wise details of Margin Money Subsidy disbursed (Rs.in lakh) to all beneficiaries including youth during the last four years					
Sr. No.	State/UT	2014-15	2015-16	2016-17	2017-18
1	Jammu& Kashmir	3274.63	3781.19	2621.40	6913.15
2	Himachal Pradesh	2237.73	1767.26	2185.27	2042.5
3	Punjab	3190.88	2902.97	3181.60	3930.46
4	UT Chandigarh	61.46	87.72	82.84	90.07
5	Uttarakhand	2153.32	1740.86	2122.33	2880.98
6	Haryana	3012.98	3112.09	3383.53	4167.04
7	Delhi	189.24	254.05	182.41	150.65
8	Rajasthan	5249.62	4384.07	4641.6	4929.04
9	Uttar Pradesh	16937.53	14456.87	14271.05	16866.47
10	Bihar	4111.32	6588.55	8336.51	6558.85
11	Sikkim	33.52	186.11	35.93	46.36
12	Arunachal Pradesh	1004.99	38.85	440.34	309.42
13	Nagaland	878.59	1392.81	2007.48	2672.15
14	Manipur	1600.76	1213.98	2162.78	1383.87
15	Mizoram	807.98	1026.35	491.96	274.05
16	Tripura	1333.65	945.84	3734.66	1892.3
17	Meghalaya	971.14	1056.12	407.89	118.27
18	Assam	5397.01	2869.74	4910.38	2362.48
19	West Bengal	6010.11	3400.65	6270.32	3891.37
20	Jharkhand	2871.29	3559.74	2654.35	2439.53
21	Odisha	3945.89	5736.32	6848.96	5680.65
22	Chhattisgarh	2045.68	2829.38	4070.73	3398.4
23	Madhya Pradesh	9241.70	8117.17	8346.06	7631.41
24	Gujarat*	6200.52	6339.73	7561.61	12883.63
25	Maharashtra **	7843.81	5285.03	6001.36	8749.73
26	Andhra Pradesh	3492.11	2262.37	4916.08	5336.1
27	Telangana	1889.35	2217.57	2561.72	4030.21
28	Karnataka	6479.10	5898.01	11609.56	6477.94
29	Goa	141.76	165.43	191.44	149.07
30	Lakshadweep	28.61	0.00	00	00
31	Kerala	2679.28	2720.48	3350.68	2910.44
32	Tamilnadu	6733.89	5497.54	8213.92	9717.58
33	Puducherry	112.10	106.37	103.65	78.95
34	Andaman & Nicobar Islands	92.32	65.11	193.46	276.95
	GRAND TOTAL	112253.87	102006.33	128093.86	131240.07

Annexure II referred to in reply to part (b) of the Lok Sabha Starred Question No. 272 for answer on 06.08.2018

No. of projects and loan sanctioned by the bank under PMEGP during 2016-17(from 01.07.2016 to 31.03.2017) as per e-portal report			
Sr.No	State	2016-17	
		No.of projects	*Loan Sanctioned (Rs.in lakhs)
1	Assam	3769	10072.90
2	A & N Islands	169	529.84
3	Andhra Pradesh	642	6394.18
4	Arunachal Pradesh	121	488.58
5	Bihar	2560	21398.53
6	Chattisgarh	1690	12006.04
7	Delhi	51	269.07
8	Goa	38	281.18
9	Gujarat	559	11151.89
10	Haryana	1163	8013.06
11	Himachal Pradesh	920	6705.23
12	Jammu & Kashmir	1718	9087.32
13	Jharkhand	1248	7759.10
14	Karnataka	1324	12592.67
15	Kerala	1004	5484.98
16	Lakshadweep	0	0.00
17	Madhya Pradesh	1343	17380.09
18	Maharashtra	3273	24368.26
19	Manipur	943	5558.58
20	Meghalaya	284	1087.73
21	Mizoram	607	1878.75
22	Nagaland	651	4180.19
23	Odisha	2089	13857.57
24	Puducherry	31	204.37
25	Punjab	897	7274.99
26	Rajasthan	1565	13936.85
27	Sikkim	40	148.14
28	Tamilnadu	2392	17597.72
29	Telangana	269	2390.83
30	Tripura	1411	6874.44
31	U.T. Chandigarh	14	86.48
32	Uttar Pradesh	3222	30020.96
33	Uttarakhand	1126	5538.03
34	West Bengal	608	5173.56
	Total	37741	269792.12

(*)Loan sanctioned by bank is inclusive of MM.

No. of projects and loan sanctioned by the bank under PMEGP during 2017-18 as per PMEGP e-portal			
Srno	State	2017-18	
		No.of projects	*Loan sanctioned by bank (Rs.in lakh)
1	ANDAMAN NICOBAR	241	1044.66
2	ANDHRA PRADESH	2229	23791.95
3	ARUNACHAL PRADESH	307	1279.81
4	ASSAM	3265	10332.99
5	BIHAR	3328	26691.07
6	CHANDIGARH-UT	48	387.88
7	CHHATTISGARH	3553	21937.96
8	DADRA NAGAR HAVELI	1	10.00
9	DAMAN AND DIU	3	33.18
10	DELHI	159	878.11
11	GOA	34	308.74
12	GUJARAT	2139	43481.92
13	HARYANA	2491	18666.02
14	HIMACHAL PRADESH	1183	8793.34
15	JAMMU KASHMIR	5540	30780.33
16	JHARKHAND	1698	11922.69
17	KARNATAKA	3343	29530.33
18	KERALA	2006	12431.76
19	MADHYA PRADESH	2771	33860.28
20	MAHARASHTRA	5184	39261.26
21	MANIPUR	978	5090.66
22	MEGHALAYA	229	963.57
23	MIZORAM	540	1975.60
24	NAGALAND	815	5994.50
25	ODISHA	2848	21144.70
26	PUDUCHERRY	56	333.23
27	PUNJAB	1754	13104.33
28	RAJASTHAN	2568	22595.50
29	SIKKIM	54	304.29
30	TAMIL NADU	5260	38271.87
31	TELANGANA	1899	17779.09
32	TRIPURA	1134	5844.27
33	UTTAR PRADESH	8514	83295.19
34	UTTARAKHAND	2512	13619.40
35	WEST BENGAL	2311	20331.38
	Grand Total	70995	566071.81

(*)Loan sanctioned by bank is inclusive of MM.