

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO.2696
TO BE ANSWERED ON 17.03.2022

LOAN UNDER PMEGP

2696. SHRI NAMA NAGESWARA RAO:

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

- (a) whether the Government is aware of the delay in the process of sanctioning of loans under Prime Minister's Employment Generation Programme (PMEGP);
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps taken by the Government in order to avoid delay in adjustment of margin money under PMEGP?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a) & (b): Delay in sanctioning of loan applications under PMEGP occurs in certain cases mainly due to submission of incomplete application or improper documents by the applicants. As per PMEGP guidelines, the following timeline has been fixed at various stages for timely processing of applications.

- i. The Implementing Agencies will forward the applications within 21 days to the respective financing banks.
- ii. The Banks will either sanction or reject the loan application, based on merit, within a stipulated period of 30 days from receipt of application from the Implementing Agencies.

(c): Margin Money subsidy is adjusted on the basis of physical verification report of the units which has to be undertaken between 24 to 36 months after the setting up of the units. In order to ensure timely adjustment of Margin Money under PMEGP, Ministry through KVIC has decided to engage a centralised agency at national level to conduct 100% physical verification of the units within the stipulated time.
