

(b) details of thematic areas covered by the Task Force for enhancing credit flow to MSMEs;

(c) whether it is a fact that inspite of RBI's clear direction, not to accept collateral security for MSMEs up to Rs. 10 lakhs, the financial institutions are insisting for the same and creating hurdles for MSMEs; and

(d) if so, the manner in which the Ministry is planning to ensure that RBI's direction is strictly followed by all the financial institutions?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH): (a) and (b) The report submitted by the Task Force on Micro, Small and Medium Enterprises (MSMEs) has made recommendations on policy/programme support, institutional matters and legal/regulatory measures for the growth of MSMEs in the country. The recommendations made cover the thematic areas of credit, taxation, labour issues, infrastructure/technology/skill development, marketing, rehabilitation and exit policy and special measures for North-Eastern Region and Jammu and Kashmir. On the thematic area of credit, the Task Force has made various recommendations for enhancing its flow to the sector which, *inter alia*, include: (i) 20 per cent year-on-year growth in credit to micro and small enterprises (MSEs); (ii) strict adherence to allocation of 60 per cent of MSE credit to micro enterprises and (iii) 15 per cent annual growth in number of micro enterprise accounts by scheduled commercial banks.

(c) and (d) Based on the recommendations of the Working Group constituted to review the Credit Guarantee Scheme (CGS), Reserve Bank of India has issued instructions in May, 2010 making it mandatory for banks not to accept collateral security in the case of loans upto Rs.10 lakh extended to units in the MSE sector. RBI has informed that whenever any specific complaint against a bank is received, the matter is taken up with the Head Office of the concerned banks to resolve the issue. Banks have also set up MSME Care Centres to facilitate entrepreneurs for quick redressal of their grievances.

#### **Benefits to unemployed youth under PMEGP**

†857. SHRI SAMAN PATHAK: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether Government is aware of the benefits accrued to unemployed youths from the loan given by the Khadi Board under the Prime Minister's Employment Generation Programme (PMEGP);

(b) if so, the details thereof, State-wise;

(c) whether Government is contemplating to adopt much simpler process for obtaining loans;

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†Original notice of the question was received in Hindi.

(d) whether the subsidy has been stopped in the loan given by the Board;  
and

(e) if so, the reasons therefor?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH): (a) and (b) During the last three years, since the launch of Prime Minister's Employment Generation Programme (PMEGP), the estimated number of employment opportunities created is 10.98 lakh persons. State-wise details are given in the Statement (See below).

(c) PMEGP was launched in the year 2008 by merging the then Prime Minister's Rozgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) schemes with a higher level of subsidy than PMRY and REGP. Under PMEGP, the beneficiary can directly approach Bank/Financial Institution along with his/her project proposal or it can be sponsored by KVIC/KVIBs/DIC/Panchayat Karyalayas etc. The applications received directly by the Banks are referred to the Task Force Committee, constituted at district level under the chairmanship of District Magistrate/Deputy Commissioner/Collector to scrutinize the applications based on the experience, technical qualification, skill, viability of the project etc. and hold quarterly meeting with the Banks at district level to review the status of the project proposals.

(d) No, Sir.

(e) Does not arise.

#### **Statement**

*State/Union Territory (UT)-wise details of estimated employment opportunities created under PMEGP*

(No. of persons)

Sl. No.	States/UTs	Estimated employment opportunities created under PMEGP		
		2008-09	2009-10	2010-11
1	2	3	4	5
1.	Chandigarh	160	500	34
2.	Delhi	10	348	140
3.	Haryana	4840	4283	9748
4.	Himachal Pradesh	3090	1963	4569

1	2	3	4	5
5.	Jammu and Kashmir	6800	17820	15953
6.	Punjab	2660	8764	7280
7.	Rajasthan	5400	13299	25606
8.	Andaman and Nicobar Islands	400	264	447
9.	Bihar	58730	5112	7980
10.	Jharkhand	4980	3250	15576
11.	Orissa	16540	17812	6611
12.	West Bengal	40020	69203	44440
13.	Arunachal Pradesh	1140	1380	2510
14.	Assam	12260	15280	28656
15.	Manipur	0	1166	1626
16.	Meghalaya	0	2167	1782
17.	Mizoram	0	1705	3800
18.	Nagaland	50	286	1924
19.	Tripura	250	1710	1513
20.	Sikkim	100	266	284
21.	Andhra Pradesh	8650	73417	53515
22.	Karnataka	12200	17198	13730
23.	Kerala	3650	15970	16620
24.	Lakshadweep	0	120	200
25.	Puducherry	480	396	817
26.	Tamil Nadu	11970	45511	31895
27.	Goa	10	1409	1583
28.	Gujarat	2680	7892	16905
29.	Maharashtra	16920	21961	26745
30.	Chhattisgarh	5840	7410	10178

1	2	3	4	5
31.	Madhya Pradesh	4160	12294	19692
32.	Uttarakhand	3840	8345	6746
33.	Uttar Pradesh	27240	41536	44128
TOTAL		255070	419997	423233

#### Improving sick MSME units

858. SHRI PRAKASH JAVADEKAR: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether it is a fact that the number of sick units of Micro, Small and Medium Enterprises have increased during the last five years;

(b) if so, the reasons therefor;

(c) the details of capital invested, employment generated and the number of such sick units, State-wise and year-wise; and

(d) what action Government proposes to take to improve their functioning?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH): (a) to (c) As per Reserve Bank of India (RBI) data available for sick micro and small enterprises (MSEs) for the last five years, the number of sick units have declined from 1,14,132 at the end of March, 2007 to 90,141 at the end of March, 2011. The State/Union Territory-wise number of sick MSEs for these years is given in the Statement (See below). The Information relating to capital invested and employment generated is not available with the RBI.

(d) Financial assistance, by way of debt restructuring, including fresh loans for rehabilitation of sick MSE is provided by primary lending institutions (PLIs), including commercial banks, which provide credit to the MSEs. RBI has issued following guidelines/ instructions to banks in this respect:

- (i) Rehabilitation of sick MSEs (January, 2002);
- (ii) Debt restructuring mechanism relating to viability criteria, prudential norms for restructured accounts, provision of additional finance and time frame for restructuring package (September, 2005); and
- (iii) Restructuring/rehabilitation policy with non-discretionary one-time settlement (OTS) scheme for MSE sector (May, 2009).