

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA  
UNSTARRED QUESTION N O. 1540  
TO BE ANSWERED ON 08.03. 2021

Sanctioning of loans under PMEGP

1540. Shri Kamakhya Prasad Tasa:  
Dr. Amar Patnaik:  
Shri Bhaskar Rao Nekkanti:

Will the Minister of Micro, Small and Medium Enterprises be pleased to state:

- (a) whether Government has taken any steps in order to avoid delay in the process of sanctioning of loans at different stages under Prime Minister's Employment Generation Programme (PMEGP);
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether Government has taken any steps in order to avoid delay in adjustment of margin money under PMEGP; and
- (d) if so, the details thereof and if not, the reasons therefor?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI NITIN GADAKRI)

(a) & (b): Yes Sir, in order to further streamline the process of selection of applicants under PMEGP, Ministry of MSME, in April, 2020, has simplified the existing PMEGP scheme guidelines by discontinuing the role of District Level Task Force Committee (DLTFC) for recommendation of applications to financing banks. Under the revised guidelines, implementing agencies now scrutinise the applications based on the score card model and forward the eligible applications directly to the financing Banks within three weeks. The role of DLTFC is now limited to monitoring the performance of PMEGP scheme with concerned stakeholders on a quarterly basis.

To expedite the pace of Entrepreneurship Development Programme (EDP) training, mandatory for release of loan to the beneficiaries, online EDP training has been initiated since October, 2019. In addition, the scope of offline EDP training has been widened through enlisting the departmental training centres of Khadi and Village Industries commission (KVIC), Khadi & Village Industries Board (KVIB), District Industries Centre (DIC), MSME Development Institute (DI), National Small Industries Corporation (NSIC), Tool rooms of MSME, Rural Self Employment Training Institutes (RSETI), Rural Development & Self Employment Training Institute (RUDSETI), selected non-departmental training centres of KVIC and other training centres of Central and State Government.

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(c) & (d): As per guidelines of the Prime Minister's Employment Generation Programme (PMEGP) scheme, 100% physical verification of the actual establishment and working status of each of the micro units, financed under PMEGP, is carried out by Khadi and Village Industries Commission (KVIC) through the outsourced agencies between 24 to 36 months after the establishment of the units. If the unit is found working as per physical verification report, the Margin Money (MM) is adjusted by the financing bank to the beneficiary account immediately on the basis of MM adjustment letter.

Further, Ministry of MSME through KVIC has initiated measures to centralize the physical verification process for PMEGP units set up from 2016-17 onwards through GIS Digital Mobile application including geo tagging of the projects. This will expedite the process of physical verification including the submission of verification report and avoid delay in adjustment of Margin Money.

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