

15039/03/2020-PMU (UT-Coord.)
Government of India/Bharat Sarkar
Ministry of Home Affairs/Grih Mantralaya

North Block, New Delhi
Dated, the 25th September, 2020

To,

1. The Chief Secretary, UT of Andaman and Nicobar Islands, Port Blair.
2. The Advisor to the Administrator, UT Chandigarh, Chandigarh.
3. The Chief Secretary, Govt. of NCT of Delhi, Delhi Sachivalaya, I.P. Estate New Delhi.
4. The Advisor to the Administrator, UT of Dadra & Nagar Haveli and Daman Diu.
5. The Advisor to the Administrator, UT of Lakshadweep, Kavaratti.
6. The Chief Secretary, Government of Puducherry, Puducherry.


Subject: Record of Discussion of the meeting to review the implementation of 'Prime Minister Employment Generation Programme' and 'Credit Guarantee Scheme' in UTs-regarding.

Sir,

I am directed to forward a copy of Record of Discussion (RoD) of the meeting held under the chairmanship of Secretary, Ministry of Micro, Small & Medium Enterprises on 10.09.2020 at 04:30 PM through VC to review the implementation of the 'Prime Minister Employment Generation Programme' and 'Credit Guarantee Scheme' in Union Territories, for further necessary action.

Yours faithfully,

Encl: As above


(Ravi Ranjan)
Deputy Commandant
Ph.: 23093265

Copy to:

Secretary, Ministry of Micro, Small & Medium Enterprises, Government of India

Record of Discussions

Implementation of 'Prime Minister Employment Generation Programme' and 'Credit Guarantee Scheme' in UTs

04:30 pm, 10th September, 2020; MHA, North Block, New Delhi

A meeting was held under the chairmanship of Secretary, Ministry of Micro, Small & Medium Enterprises (M/o MSME) to review the implementation of the 'Prime Minister Employment Generation Programme' and the 'Credit Guarantee Scheme' in Union Territories (UT) of Andaman & Nicobar Islands (ANI), Chandigarh (CHD), Dadra & Nagar Haveli and Daman & Diu (DNH&DD), Delhi (DEL), Lakshadweep (LKD) and Puducherry (PUD) via video conference on 10th September, 2020 in the Ministry of Home Affairs (MHA), North Block, New Delhi. Additional Secretary (UT) [AS(UT)] facilitated the meeting. The list of participants is at **Annexure**.

2. At the outset, Secretary, M/o MSME welcomed the participants. Thereafter, AS(UT) spoke about the agenda for the meeting.
3. Key observations/remarks that emerged from the discussion are:

A. Prime Minister Employment Generation Programme

- i. It was stated that this is a bank-driven scheme, where prospective beneficiaries approach banks with their projects for loans. However, it has been observed in UTs that banks have either been turning down the applications for some reason or the other, or taking unreasonable time in sanctioning applications and loan disbursement. This has hampered the progress of the PMEGP scheme in UTs.
- ii. **UTs** stated the following:
 - a. **ANI:** Overall, the scheme is quite popular in ANI, and the performance of UT seems satisfactory. 47 applications are pending with banks as of now, which are expected to be cleared soon. The performance in terms of margin money subsidy disbursement is expected to improve this year.
 - b. **CHD:** Targets for CHD are unrealistic, as they include targets for rural areas, which have ceased to exist in the UT since last year. Therefore, the

performance of the UT in that aspect has shown a decline. The COVID-19 pandemic has also adversely impacted the pace of progress. 13 proposals are currently pending with banks.

- c. **DNH&DD:** Data for DNH and DD needs to be merged, in view of the merger of the UTs. Banks are either rejecting a majority of applications that come before them, or are keeping them pending for long. The problem is more acute in the case of private banks.
- d. **DEL:** Banks have rejected about 90% of the applications under the Programme. Despite regular review with the banks, the issue persists.
- e. **PUD:** While the COVID-19 situation has adversely impacted the pace of progress of the UT under the Programme, the performance is gradually improving.
- f. **LKD:** Progress of the UT was hampered due to dismantling of the Khadi Board. However, performance is expected to improve in this Financial Year.

iii. **AS(UT)** stated the following:

- a. ANI has scope for improvement in terms of margin money subsidy disbursement, assistance to micro-units (in terms of numbers) and employment generated.
- b. For CHD, the scheme does not differentiate between rural and urban targets, and therefore, the targets cannot be said to be unrealistic. A separate review of CHD will be undertaken by MHA, and any issues would thereafter be taken up with M/o MSME.
- c. Chief Secretary (CS), DEL may be asked to take a review meeting with the banks through the SLBC mechanism.

iv. After deliberations, **Secretary, M/o MSME** stated the following:

- a. Performance audit must be done to tackle issues of quality of performance and utilisation of sanctioned funds. All UTs should devise mechanisms to ensure some form of third-party checks and monitoring of the scheme, to assess their performance.

- b. DNH&DD may take requisite action at their level to secure compliance of erring banks. M/o MSME would also take up the issue at its level to resolve the matter.
- c. CS, DEL may take a review meeting with the erring banks to check the issue of rejection/delay in processing applications. M/o MSME would also take up the issue at its level to resolve the matter.
- d. All UTs may continue to make efforts to improve their performance, and regularly take up issues with erring banks.

B. Credit Guarantee Scheme

- i. **UTs** stated the following:
 - a. **ANI:** The data for 2020-21 needs to be reconciled. The COVID-19 situation led to a decline in performance of the UT. However, awareness drives have been planned to improve performance.
 - b. **LKD:** Data pertaining to the UT needs to be reconciled.
- ii. **AS(UT)** stated the following:
 - a. DEL has not shared the data regarding its performance under the Scheme. The same may be provided to MHA expeditiously.
 - b. ANI, LKD and PUD to reconcile their data with M/o MSME.
- iii. After deliberations, **Secretary, M/o MSME** stated the following:
 - a. CHD may expedite its progress under the scheme.
 - b. DNH&DD may examine the reasons as to why the amount has decreased in FY 2020-21, in comparison to FY 2019-20, when the number of proposals in the two FYs are similar.
 - c. PUD may take steps to expedite its progress under the scheme, with constant monitoring of its performance.
- 4. The meeting ended with a vote of thanks to the Chair.

List of Participants

Ministry of Micro, Small & Medium Enterprises (through VC)

1. Sh. A.K. Sharma, Secretary (In-chair)
2. Ms. Alka Nangia Arora, JS (SME)

Ministry of Home Affairs (through VC)

1. Sh. Govind Mohan, Additional Secretary (UT)
2. Dr. Kumar V. Pratap, Joint Secretary (UT)
3. Sh. Jitendra Agrawal, Adviser (UT)
4. Sh. Ravi Ranjan, Deputy Commandant

Union Territories (through VC)

1. Sh. Vijay Kumar, Principal Secretary (Planning), UT of ANI
2. Sh. Yashpal Garg, Secretary (Industries), UT of Chandigarh
3. Sh. A. K. Singh, Adviser to the Administrator, UT of DNH & DD
4. Sh. Vikas Anand, Commissioner (Industry), GNCT of Delhi
5. Sh. R.K. Gupta Deputy Director, Delhi Khadi & Village Industries Board
6. Sh. P Abdul Samad, Director (Planning & Industry), UT of Lakshadweep
7. Sh. Ashwani Kumar, Chief Secretary, Government of Puducherry
