

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
STARRED QUESTION NO. *166
TO BE ANSWERED ON 17.03.2025

Prime Minister's Employment Generation Programme

*166. MS. INDU BALA GOSWAMI:

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

- (a) whether any financial assistance is provided to unemployed youth to start a business under Prime Minister's Employment Generation Programme (PMEGP);
- (b) if so, the details thereof; and
- (c) whether there is a provision of granting loan to start own business under the said Programme, if so, the details thereof?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI JITAN RAM MANJHI)

(a) to (c): A statement is laid on the table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE RAJYA SABHA
STARRED QUESTION No. 166 FOR ANSWER ON 17.03.2025**

(a) to (c): To assist prospective entrepreneurs including unemployed youth in setting up of new enterprises in the non-farm sector, financial assistance is provided in the form of Margin Money (MM) subsidy on the project cost under the Prime Minister's Employment Generation Programme (PMEGP) being implemented by Ministry of MSME, through Khadi and Village Industries Commission (KVIC).

The categories of beneficiaries, applicable subsidy rates and percentage of contribution under PMEGP is given below:

Categories of beneficiaries Area (location of project)	Beneficiary's contribution	Rate of Subsidy (of project cost)	
		Urban	Rural
General Category	10%	15%	25%
Special Category [including SC, ST, OBC, Minorities, Women, Ex-Servicemen, Transgenders, Differently abled, NER, Aspirational Districts, Hill and Border areas (as notified by the Government) etc.]	05%	25%	35%

The maximum cost of project is Rs. 50 lakh in manufacturing sector and Rs. 20 lakh in service sector under the Scheme. Bank sanctions 90% of the project cost as a loan in case of General Category of beneficiary and 95% in case of Special Category of the beneficiary for setting up of the enterprise.

Since FY 2014-15 till FY 2023-24, more than 6.86 lakh micro enterprises have been assisted with loans sanctioned amounting to Rs 53,296 crores with Margin Money (MM) subsidy of Rs. 19,739crore generating employment opportunities to more than 54 lakh persons.
