

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 2274
TO BE ANSWERED ON 01.01.2018

SUBSIDY TO MSMEs

2274. SHRI RAJESH RANJAN:
SHRI KAUSHALENDRA KUMAR:

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

- (a) whether the Government provides any subsidy to set up Micro and Small industries in the country;
- (b) if so, the details thereof and the norms prescribed for its eligibility;
- (c) whether said subsidy is provided by the Union Government or the State Governments and if so, the details thereof;
- (d) whether any enquiry centre has been set up for the said facility; and
- (e) if so, the details thereof?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE)
FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a) &(b): Yes, Madam. Ministry of Micro, Small and Medium Enterprises (MSME) is implementing Prime Minister's Employment Generation Programme (PMEGP), which is a major credit-linked subsidy programme, aimed at generating self-employment opportunities through establishment of micro-enterprises in the non-farm sector by helping traditional artisans and unemployed youth.

General category beneficiaries can avail of margin money subsidy of 25 % of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as Scheduled Caste/Scheduled Tribe/OBC /Minorities/Women, Ex-serviceman, Physically Handicapped, NER, Hill and Border areas etc. the margin money subsidy is 35% in rural areas and 25% in urban areas.

Any individual above 18 years of age is eligible. For setting up of projects costing above Rs.10 lakh in the manufacturing sector and above Rs. 5 lakh in the business /service sector, the beneficiaries should possess at least VIII standard pass educational qualification. The maximum cost of projects is Rs. 25 lakh in the manufacturing sector and Rs. 10 lakh in the service sector. Benefit can be availed under PMEGP for setting up of new units only.

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(c): Subsidy under PMEGP Scheme is provided by the Union Government. The PMEGP Scheme was launched during 2008-09. Since its inception, a total of 4.47 lakh micro enterprises have been assisted with a margin money subsidy of Rs 9326.01 crore providing employment to an estimated 37.32 lakh persons from inception till 2017-18 (up to 30.11.2017).

(d) & (e): Khadi and Village Industries Commission (KVIC) is the nodal agency at the national level. At the State/District level, State offices of KVIC, KVIBs and District Industry Centres(DIC) are the implementing agencies in the States in the ratio of 30:30:40.

An online [PMEGP-e portal](#) has been introduced from 1st July 2016. Entire process is made real time and online. Applicant has to apply on the online portal and he can track the status of his application on the PMEGP-e-portal. There is an online feedback mechanism for providing feedbacks by the beneficiaries, which has been encouraging.
