

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTIONNO. 1053
TO BE ANSWERED ON 27.06.2019

EXPANSION OF MSMES

1053. SHRI SANJAY KAKA PATIL:

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

- (a) whether the Union Government is likely to set up a project to create and expand Micro, Small and Medium Enterprises at district level;
- (b) if so, whether the Union Government is likely to give instruction in this regard to any administrative machinery at district level; and
- (c) if so, the details thereof?

ANSWER

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

(a) to (c): Ministry of 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. Khadi and Village Industry Commission(KVIC) is the nodal implementing agency at National Level. At State/district level, the programme is being implemented by State offices of KVIC, KVIB and Districts Industries Centers(DICs).

Under PMEGP, financial assistance is provided through banks for setting up of new micro enterprises. Maximum admissible project cost is Rs.25 lakh for manufacturing units and Rs.10 lakh for service sector units. 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.

PMEGP has been strengthened by enhancing the budget outlay for setting more units and making the entire process online. A new component providing second dose of financial assistance of upto Rs. 1 crore in manufacturing sector and Rs.25 lakh in Service Sector has been introduced for existing and better-performing PMEGP/MUDRA units.

The Ministry fixes the annual State/UT-wise targets based on the funds allocated under the Union Budget. At district level, the targets are fixed by the State level agencies in consultation with the State Level Banker Committee(SLBC). District-wise targets are fixed in such manner that each district in every State shall have a target of setting up of atleast 75 new micro-enterprises.

Scheme was launched in August 2008 and since inception and upto May, 2019, 5.48 lakh micro units have been assisted with margin money subsidy of Rs.12153.06 crore providing employment to 45.45 lakh youths.

* * *