

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION No. 2379
TO BE ANSWERED ON 13.03.2025

PENDING SUBSIDIES TO MSMEs

2379. SHRI MANICKAM TAGORE B:
SHRI VIJAYAKUMAR ALIAS VIJAY VASANTH:

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

- (a) the reasons for pending of MSME subsidies to beneficiaries in Tamil Nadu, including districts like Kanniyakumari and Virudhunagar, for over ten years and the steps being taken to clear these arrears;
- (b) the specific reasons cited for the delay in disbursing MSME subsidies across Tamil Nadu and the district-wise breakdown of the pending subsidies, including the years they were allocated;
- (c) whether Tamil Nadu is the only State facing significant delays in the distribution of MSME subsidies, if so, the measures being taken to address this issue particularly in districts like Kanniyakumari and Virudhunagar; and
- (d) the timeline for fully clearing MSME subsidy payments in Tamil Nadu including Kanniyakumari and Virudhunagar and the steps being taken to compensate for the loss faced by beneficiaries due to these delays?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

(a) to (d): Ministry of MSME, through Khadi and Village Industries Commission (KVIC), is implementing Prime Minister's Employment Generation Programme (PMEGP) for assisting entrepreneurs in setting up of new micro-enterprises in the non-farm sector. Under PMEGP, beneficiaries can avail of Margin Money (MM) subsidy ranging from 15% to 35% based on various geographical and demographical criteria.

The Scheme was approved for continuation for the period from FY 2021-22 to FY 2025-26 with the budgetary outlay of Rs. 13,554.42 crore on pan India basis. Funds are utilised based on the demand generated and loans sanctioned by the financial institutions pan India. Banks appraise the projects both technically and economically and sanction the projects on the basis of viability of each project. Accordingly, MM subsidy is disbursed to the sanctioned applications based on the funds allocated for the Scheme.

However, since the scheme exceeded its financial targets for the previous 3 financial years of the 15th Finance Cycle, i.e. 2021-22, 2022-23, and 2023-24, there is a budgetary deficit for the financial years i.e. 2024-25 and 2025-26. Department of Expenditure has been approached seeking enhancement in the budgetary outlay for the Scheme. As and when the increased budget is received, Ministry will be in a position to clear the pending MM subsidy claims.
