

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION No. 4556
TO BE ANSWERED ON 27.03.2025

COTTAGE AND SMALL INDUSTRIES

4556. SHRI VIRENDRA SINGH:

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

- (a) whether there is any scheme to provide concessions or assistance for setting up of cottage and small industries to promote employment generation, if so, the details thereof; and
(b) the interest rate on the amount disbursed by the banks for the said purpose along with the details of subsidy provided on the interest rate?

ANSWER

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

(a) and (b): Prime Minister's Employment Generation Programme (PMEGP) is a credit linked subsidy programme for generating self-employment opportunities to traditional artisans/ rural and urban unemployed youth through establishment of micro-enterprises in the non-farm sector. Under the Scheme, General Category beneficiaries can avail of Margin Money (MM) subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to Special Categories such as Scheduled Castes, Scheduled Tribes, OBCs, Minorities, Women, Ex-servicemen, Physically Handicapped, Transgenders, beneficiaries belonging to Northeastern Region, Hill and Border areas, and Aspirational Districts, the Margin Money subsidy is 35% in rural areas and 25% in urban areas. Own contribution of beneficiaries under Special Category is 05% and 10% for General Category beneficiaries.

Under PMEGP 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 beneficiary for setting up of the enterprise. The maximum cost of project is Rs. 50 lakh in manufacturing sector and Rs. 20 lakh in service sector. Under the Scheme, interest rate is charged on the loan amount sanctioned by banks other than subsidy amount and own contribution. The details of Margin Money (MM) subsidy disbursed and number of units assisted under PMEGP since last three years i.e FY 2021-2022 to FY 2023-24 is given below: -

Financial Year	MM Subsidy disbursed (Rs. Crore)	No. of Units Assisted
2021-22	2977.66	1,03,219
2022-23	2722.17	85,167
2023-24	3093.87	89,118
