

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION No. 622
TO BE ANSWERED ON 06.02.2025

EMPLOYMENT GENERATION THROUGH MSMEs

622. SHRI BABU SINGH KUSHWAHA:

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

- (a) the steps being taken to increase the opportunities for socio-economic development and employment through Micro, Small and Medium Enterprises (MSMEs) in Uttar Pradesh;
- (b) the details of schemes being implemented by the Government to boost the rural economy and empower the rural women by promoting rural entrepreneurship;
- (c) the details of the role of MSMEs for the development of small businesses and its contribution in Gross Domestic Product (GDP) of the country;
- (d) whether the Government has implemented any new policy or special promotional schemes for promoting small business and rural entrepreneurship; and
- (e) if so, the details thereof?

ANSWER

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

(a) & (b): Ministry of MSME through the Prime Minister's Employment Generation Programme supports establishment of new enterprises in the non-farm sector thereby increasing the opportunities for socio-economic development and employment generation across the country. The Scheme is being implemented through the Khadi and Village Industries Commission (KVIC) at National level and State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs), District Industries Centres (DICs) at State level.

Under the Scheme, General Category beneficiaries can avail 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 etc and 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. The maximum cost of project is Rs. 50 lakhs in the manufacturing sector and Rs. 20 lakhs in the service sector.

Performance of PMEGP in terms of Margin Money subsidy, number of units assisted and estimated employment generated since last 3 years and current FY 2024-25 (up to 01.02.2025) across the country is given below:

S. No.	Financial Year	MM Subsidy Utilised (Rs. in crore)	No. of Units Assisted	Estimated Employment Generated
1	FY 2021-22	2,977.65	1,03,219	8,25,752
2	FY 2022-23	2,722.17	85,167	6,81,336
3	FY 2023-24	3,093.87	89,118	7,12,944
4	FY 2024-25*	1,528.77	38,235	3,05,880

*FY 2024-25 data upto 01.02.2025.

: 2 :

Since 2021-22, 97,285 women-led enterprises have been assisted across the country under the Scheme thereby empowering women and promoting rural entrepreneurship.

Performance of PMEGP in Uttar Pradesh since last 3 years and current FY 2024-25 (up to 01.02.2025) is given below:

Financial Year	Margin Money Subsidy (Rs. Cr)	No. of Units Assisted	Estimated Employment Generated
FY 2021-22	411.63	12,594	100,752
FY 2022-23	378.65	11,601	92,808
FY 2023-24	435.28	11,689	93,512
FY 2024-25*	182.75	4,668	37,344

*FY 2024-25 data upto 01.02.2025.

(c): The Micro, Small and Medium Enterprises (MSME) sector contributes significantly to the economy and social development of the country by fostering entrepreneurship and generating large employment opportunities at comparatively lower capital cost, next only to agriculture. MSMEs are complementary to large industries as ancillary units and this sector contributes to around 30% of India's GDP .

(d) and (e): Recent measures in place under the Prime Minister's Employment Generation Programme for promoting small business and rural entrepreneurship include the following :

- i. Maximum project cost admissible has been enhanced from Rs. 25 lakh to Rs. 50 lakh for manufacturing sector and from Rs. 10 lakh to Rs. 20 lakh for service sector for setting up a new project thereby expanding the range of eligible projects.
- ii. Existing PMEGP /MUDRA enterprises are supported with 2nd loan for upgradation and expansion under the Scheme with maximum project cost of Rs. 1.00 crore admissible for Margin Money (MM) subsidy under Manufacturing sector and Rs. 25 lakh for Service sector. The subsidy varies from 15% to 20% of project cost.
- iii. Contribution of beneficiaries under Special Category including women is 05% as compared to 10% for General Category beneficiaries.
- iv. Conduct of awareness programmes, workshops and exhibitions in all the States/UTs including backward and under-performing areas with focus on special category.
- v. Conduct of two-days free online Entrepreneurship Development Programme (EDP) for prospective entrepreneurs.
- vi. Acceptance of PMEGP applications from prospective beneficiaries in 11 regional languages since January 2024.
- vii. Industries related to Animal Husbandry like dairy, poultry, aquaculture, insects (bees, sericulture, etc.) have been allowed under the scheme.
- viii. Webinars are organized for setting up of micro-enterprises on every Sunday to create awareness among the youth and prospective entrepreneurs.
