

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 4777
TO BE ANSWERED ON: 21.08.2025

REVISED DEFINITION OF MSMEs

4777. SHRI KONDA VISHWESHWAR REDDY:

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

- (a) whether the definition of Micro, Small and Medium Enterprises (MSMEs) has been revised and if so, the new limits for micro enterprises;
- (b) whether the project cost ceiling under the Prime Minister's Employment Generation Programme (PMEGP) remains 25 lakh for manufacturing and 10 lakh for services;
- (c) whether the Government is considering enhancement of the PMEGP project cost limit to 2.5 crore in line with the revised definition;
- (d) if so, the current status of any such proposal; and
- (e) whether any internal assessments, expert recommendations or State-wise feasibility studies have been conducted regarding this enhancement and if so, the details thereof?

ANSWER

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

(a): The definition of Micro, Small and Medium Enterprises (MSMEs) has been revised as per the Budget announcement 2025. The investment and turnover limits have been revised to 2.5 and 2 times respectively for classification of MSMEs vide Notification SO. 1364(E) dated 21.03.2025 with effect from 01.04.2025. The revised limit for Micro Enterprises is classified with an investment up to ₹2.5 crore in plant and machinery and a turnover up to ₹10 crore.

(b) to (e): The maximum project cost ceiling admissible for Margin Money subsidy under the Prime Minister's Employment Generation Programme (PMEGP) is ₹50 lakh in the manufacturing sector and ₹20 lakh in the business/service sector. Further, a second loan for upgradation of existing units is admissible for project cost up to ₹1.00 crore in the manufacturing sector and ₹25.00 lakh in the service sector respectively.

No such proposal is in consideration to enhance project cost limit to 2.5 crore under the PMEGP in line with the revised definition. Consequently, there are no internal assessments, expert recommendations or State-wise feasibility studies available regarding enhancement of the PMEGP project cost limit.
