

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 3197
TO BE ANSWERED ON 18.12.2025

MSME SECTOR IN UTTAR PRADESH

3197. SHRI ANURAG SHARMA:

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

(a) the total funds allocated by the Union Government for the Micro, Small and Medium Enterprises (MSME) sector in Uttar Pradesh for the financial year 2024-25, including the schemes under which such funds have been earmarked;

(b) whether any proposals for the establishment of MSME clusters in the Bundelkhand region-covering Jhansi, Lalitpur, Banda, Hamirpur, Mahoba and Chitrakoot-have been approved and if so, the details of these clusters and their expected benefits for local entrepreneurship;

(c) whether the Government is considering declaring Bundelkhand as an MSME Priority Region in view of its backwardness and employment potential, if so, the criteria being considered for such classification; and

(d) whether additional incentives, such as credit facilitation, subsidised land or marketing support are proposed to encourage MSMEs to set up units in Bundelkhand and if so, the details thereof?

ANSWER

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

(a): The Government of India supplements the efforts of the States/UTs through various schemes, programmes and policy initiatives for promotion, development of MSMEs in the country. The Ministry of MSME implements Prime Minister's Employment Generation Programme, Credit Guarantee Scheme for Micro and Small Enterprises and International Cooperation Scheme etc. Status of implementation of these schemes in Uttar Pradesh implemented by the Ministry is as under:

(i) Prime Minister's Employment Generation Programme (PMEGP) is a 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 rural/urban unemployed youths through Margin Money subsidy.

Details of Funds allocated to Uttar Pradesh State during the year 2024-25 is as under:

| Name of Scheme | Funds allocated/disbursed/released (Rs. In lakh) 2024-25 |
|--|--|
| Khadi Gramodyog Vikas Yojana (KGVY) | 6962.11 |
| Prime Minister's Employment Generation Programme (PMEGP) | 24113.28 |

(ii) Under Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs), credit guarantee is provided for loans extended to MSEs without collateral security and third-party guarantee through Credit Guarantee Fund Trust for MSEs (CGTMSE). The details of credit guarantees extended to MSEs under CGS in Bundelkhand region, Uttar Pradesh as per ***Annexure -I***.

(iii) The Ministry is implementing Micro and Small Enterprises -Cluster Development Programme (MSE-CDP) across the country. The objective of these scheme is to enhance the productivity and competitiveness of Micro and Small Enterprises (MSEs) for their holistic development adopting cluster development approach by providing financial assistance as GoI grant to establish Common Facility Centers (CFCs) in the existing clusters and establish/up-grade infrastructural facilities in new/existing industrial estates/areas/flatted factory complexes.

During FY 2024–25, one project for flatted factory complex at UPSIC Industrial Area, Amausi, Lucknow, is approved at total project cost of ₹34.30 crore and Government of India grant of ₹10.50 crore.

(iv) Under International Cooperation Scheme (IC) Scheme, financial assistance is provided on reimbursement basis to the eligible Central / State Government organizations and Industry Associations to facilitate participation of MSMEs in international exhibitions/ fairs/ buyer-seller meets held abroad and for organizing international conferences/ seminars/ workshops in India, etc. Reimbursement is also provided to the first-time Micro & Small Enterprises for various costs involved in export of goods and services. 158 MSMEs from Uttar Pradesh have been assisted over the last five years.

(b): No proposal for establishment of MSME clusters in the Bundelkhand region has been received from State Government under MSE-CDP scheme.

(c) and (d): There is no proposal to declare Bundelkhand as an MSME Priority Region and no criteria for such a declaration are presently under consideration. There is no proposal for additional incentives to encourage MSMEs to setup units in Bundelkhand.

Annexure referred to in reply to part (a) of the Lok Sabha Unstarred Question No. 3197 replied on 18.12.2025.

| CGS - Guarantee Approved - Overall | | | | |
|------------------------------------|----------------------------------|--------------------------------------|----------------------------------|--------------------------------------|
| | FY 2025-26 as on Nov 30, 2025 | | Cumulative as on Nov 30, 2025 | |
| | No. of guarantees approved | Amount approved (in Rs. crore) | No. of guarantees approved | Amount approved (in Rs. crore) |
| Jhansi | 4,272 | 253 | 24,350 | 1,356 |
| Lalitpur | 2,127 | 89 | 9,891 | 424 |
| Banda | 2,257 | 111 | 9,400 | 555 |
| Hamirpur | 1,152 | 66 | 6,162 | 346 |
| Mahoba | 961 | 70 | 4,432 | 317 |
| Chitrakoot | 1,049 | 48 | 5,116 | 255 |
| Uttar Pradesh | 3,19,951 | 26,779 | 17,47,395 | 1,22,498 |
| All India | 15,52,645 | 2,50,001 | 1,30,63,982 | 11,84,872 |