

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:2782
ANSWERED ON:30.07.2014
SCHEMES FOR EMPLOYMENT GENERATION IN MSME SECTOR
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) the schemes being implemented for employment generation in the MSME sector and the employment generated under these schemes, State-wise, scheme-wise during each of the last three years and the current year;
- (b) whether the Government proposes to set up a task force to review and revive the MSME sector; and
- (c) if so, the details thereof, and the steps taken by the Government in this regard?

Answer

MINISTER FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI KALRAJ MISHRA)

(a): Development and promotion of micro, small and medium enterprises (MSMEs) is primarily the responsibility of State Governments. However, the Government of India through Ministry of MSME strives to supplement the efforts of State Government to develop MSME sector and in the process generate additional employment opportunities in the country. Most significantly, Government has been implementing a major credit-linked subsidy programme named Prime Minister's Employment Generation Programme (PMEGP) for generating employment through setting up micro enterprises in non-farm sector. Under PMEGP, general category beneficiaries can avail of margin money 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, beneficiaries belonging to North Eastern Region, hill and border areas, etc., the margin money subsidy is 35% in rural areas and 25% in urban area. The maximum cost of project is ` 25 lakh in the manufacturing sector and ` 10 lakh in the service sector. State-wise release of margin money subsidy which is treated as target as also the achievements in term of the margin money subsidy utilized, the corresponding number of projects assisted and estimated employment generated under PMEGP during the last three years and current year is given at Annex.

(b) & (c): Government proposes to set up a task force to review and revive the MSME sector. The composition of task force is yet to be finalized.