

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

UNSTARRED QUESTION NO:583

ANSWERED ON:26.11.2014

EMPLOYMENT GENERATION BY MSME

Bhuria Shri Dileep Singh;Choudhary Col. (Retd) Sona Ram;Nayak Shri B.V.

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

- (a) whether Micro, Small and Medium Enterprises (MSME) sector is playing an important role in employment generation in the country;
- (b) if so, the details of targets fixed by the Government for employment generation in this sector during each of the last three years and the current year, State-wise and UT-wise; and
- (c) the details of the steps taken by the Government for achieving the said targets?

Answer

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

(a) & (b): Government in the Ministry of MSME has been implementing a credit-linked subsidy programme named Prime Minister's Employment Generation Programme (PMEGP) since 2008-09 with Khadi and Village Industries Commission (KVIC) as nodal agency at the national level for generating employment in the Country by setting up of micro-enterprises in the 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 Rs. 25 lakh in the manufacturing sector and Rs. 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 during the last three years and current year is given at Annex.

(c): Although KVIC is the nodal agency for PMEGP at the national level, the role of State Governments/Union Territories is crucial in achieving the targets as the beneficiaries and projects are selected by the District level Task Force Committee (DTFC) and the scheme is also reviewed at the State level Bankers Committee by senior functionaries of the State Governments/Union Territories. Central Government has been providing necessary funds, policy inputs and guidance to KVIC for achieving the targets. Intensive monitoring of the scheme and periodic interaction with Banks are also carried out at various levels by KVIC and at national level by the Ministry, in addition to 100% physical verification of the units assisted.

KVIC has undertaken awareness camps, workshops, exhibitions, etc at State and district levels to further popularize the scheme.