

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

UNSTARRED QUESTION NO:2443

ANSWERED ON:08.12.2014

SETTING UP OF MSMES

Birla Shri Om;Chavan Shri Harishchandra Deoram;Kushawaha Shri Ravindra

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

- (a) the details of the funds allocated by the Union Government for setting up of new units under Micro, Small and Medium Enterprises (MSMEs) during each of the last three years and the current year, State/ UT-wise;
- (b) the number of jobs generated therefrom including in backward rural areas of the country, State/UT-wise;
- (c) whether the Union Government has received various proposals from the State Governments for financial assistance for setting up of MSMEs during the said period; and
- (d) if so, the details and the status thereof along with the time by which the said proposals are likely to be approved, State/UT-wise?

Answer

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

(a)&(b): Government in the Ministry of Micro, Small and Medium Enterprises 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 including in backward rural areas 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)&(d): No specific proposal has been received from State Governments for financial assistance for setting up of MSMEs. However, individual project proposals under PMEGP are screened by the District Level Task Force Committees (DLTFCs) headed by the District Magistrate/ Collector and recommended to Banks for sanction.