

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
STARRED QUESTION NO. *412
TO BE ANSWERED ON 31.03.2022

EMPLOYMENT OPPORTUNITIES IN MSME SECTOR

*412 SHRI VELUSAMY P.:
SHRI SHANMUGA SUNDARAM K.:

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

- (a) the steps taken by the Union Government to create more employment opportunities under various schemes in MSME sector;
- (b) the details of funds allocated for the purpose during the last three years and the current year;
- (c) whether the Government proposes to increase the allocation of funds for the sector;
- (d) if so, the details thereof;
- (e) whether the Government would bear the Employees' State Insurance (ESI) and Employees' Provident Fund (EPF) amount of the MSME workers to create conducive atmosphere for the MSME sector and employ more workers; and
- (f) if so, the details thereof and if not, the reasons therefor?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI NARAYAN RANE)

(a) to (f): A statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (f) OF THE LOK SABHA STARRED QUESTION No. *412 FOR ANSWER ON 31.03.2022

(a)& (b): Ministry of MSME, through Khadi & Village Industries Commission (KVIC), is implementing **Prime Minister's Employment Generation Programme (PMEGP)**, which is a major credit-linked subsidy programme, aimed at generating self-employment opportunities by establishment of micro-enterprises in the non-farm sector.

Under PMEGP, General Category beneficiaries can avail Margin Money subsidy of 25 % of the project cost in rural areas and 15% in urban areas. For Special Categories, such as SC/ST/OBC/Minorities/Women/Ex-Serviceman/Physically Handicapped /NER/Hill and Border areas, etc., the Margin Money subsidy is 35% in rural areas and 25% in urban areas. Maximum project cost for manufacturing sector is Rs.25 lakh and for service sector is Rs.10 lakh. Since its inception upto 15.03.2022, about 7.73 lakh new micro units have been assisted utilizing Margin Money subsidy of Rs.18765.57 cr. generating estimated employment opportunities for 63.42 lakh persons.

Ministry is also implementing **Scheme of Fund for Regeneration of Traditional Industries (SFURTI)** to organize traditional industries and artisans in to collectives and provide them with sustainable employment with support in procurement of improved equipments, raw materials, construction of Common Facility Centres, training, design, and marketing support, etc. Since 2014, till date 498 clusters have been approved with around Rs. 1295 cr. of Government of India commitment benefitting around 2.87 lakh artisans.

In addition, KVIC is also implementing the following programmes to provide self-employment opportunities in rural and backward areas:

- i. **Honey Mission:** Under this programme, bee boxes with bee colonies, tool kits and training are provided to supplement the income of farmers, adivasis and rural youth as beekeepers. Since its inception in 2017-18, 159659 bee boxes have been distributed at a cost of Rs. 98.18 cr. benefitting around 16085 persons.
- ii. **Kumhar Sashaktikaran Programme:** Under this programme, rural potters have been provided with new energy efficient equipment like Electric Pottery Wheels, Blungers, etc. along with training. Since its inception in 2017-18, 23340 electric potteries have been distributed at a total cost of Rs. 51.96 cr. benefitting around 93360 persons.

Funds allocated (Revised Estimates) for the last three years and current year under the above schemes is as under:

(Rs.in cr.)

Sl. No.	Name of the Programme	2018-19	2019-20	2020-21	2021-22*
1	PMEGP	2118.80	2464.44	2159.49	2500.00
2	Honey Mission	-	15.00	11.07	10.78
3	Kumhar Sashaktikaran	16.00	17.00	18.61	7.49
4	SFURTI	86.15	185.00	350.00	402.02

*Till 24.03.2022

(c)& (d): The Budget estimates for the FY 2021-22 and proposed Budget Estimates for the FY 2022-23 under the above schemes are as under:

(Rs.in cr.)

Sl. No.	NAME OF THE PROGRAMME	2021-22	2022-23
1	PMEGP	2000.00	2500.00
2	Honey Mission	5.78	8.78
3	Kumbhar Sashaktikaran	6.02	11.90
4	SFURTI	170.00	334.00

(e) & (f): Monthly Employees' State Insurance (ESI) contribution payable is 4% of the wages of ESI covered employees, which includes 0.75% as employee's share and 3.25% as employer's share. There is no proposal to bear the ESIC contribution in respect of MSME workers by the Government.

Under the Employees' Provident Fund (EPF) Scheme, 1952, an employee of any covered establishment drawing monthly wages up to Rs. 15,000 is statutorily required to join the fund and to contribute 12% of wages, which includes basic wages, dearness allowance and retaining allowances, if any. The employer is also required to contribute 12% of the wages. Government has launched Aatmanirbhar Bharat Rozgar Yojana (ABRY) to incentivize employment generation in Employees' Provident Fund Organisation (EPFO) registered establishments from 1st October, 2020 by payment of both employee's & employer's contributions (24% of wages) in Establishments employing up to 1000 employees & only employee's EPF contributions (12% of wages) in Establishments employing more than 1000 employees in respect of new employees. The scheme has been extended till 31st March 2022.
