

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

UNSTARRED QUESTION NO:1264

ANSWERED ON:25.07.2016

Employment in MSME Sector

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

- (a) whether the Micro, Small and Medium Enterprises play an important role in creating employment opportunities in the country;
- (b) if so, the details thereof and the details of targets fixed and achieved by the Government regarding creation of employment opportunities during each of the last three years and the current year in the country, State/UT-wise including Madhya Pradesh; and
- (c) the steps taken by the Government for achieving the said targets?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a): Yes, Madam.

(b)&(c): Ministry of Micro, Small and Medium Enterprises (MSME) is implementing a credit-linked subsidy scheme named Prime Minister's Employment Generation Programme (PMEGP) since 2008-09 through Banks. Khadi and Village Industries Commission (KVIC) is the nodal agency at the national level for generating employment by setting up of micro-enterprises in the non-farm sector. The maximum cost of project is Rs. 25 lakh in the manufacturing sector and Rs. 10 lakh in the service sector. Any individual above 18 years of age is eligible. For setting up of projects costing above Rs.10 lakh in the manufacturing sector and above Rs. 5 lakh in the business /service sector, the beneficiaries should possess educational qualification of at least VIII standard pass.

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.

State-wise allocation of margin money subsidy is treated as target. 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 including Madhya Pradesh is given at Annexure-I.