Ministry of Micro,Small & Medium Enterprises

PMEGP Provides Higher Subsidy and Lower Own contribution for SC and Rural Beneficiaries

PMMY Provides Collateral-Free Loans up to 20 Lakh for Small Enterprises

Posted On: 21 AUG 2025 2:12PM by PIB Delhi

Ministry of MSME, through Khadi and Village Industries Commission (KVIC), is implementing the Prime Minister's Employment Generation Programme (PMEGP). It is a central sector scheme generating employment opportunities primarily in rural areas by assisting prospective entrepreneurs in setting up new micro enterprises in the non-farm sector. Under PMEGP, beneficiaries belonging to rural areas and those belonging to Scheduled Castes are covered under special category of beneficiaries who are eligible for higher rate of subsidy and lower own contribution to the project cost.

The Ministry of MSME also implements the 'National Scheduled Caste and Scheduled Tribe Hub' throughout the country including Warangal for strengthening capacity of SC/ST entrepreneurs to participate in public procurement and achieve the mandated 4% of procurement from SC/ST MSEs. Several initiatives have been taken under the Scheme to provide professional support to SC/ST entrepreneurs in skilling, capacity building, market linkages, finance facilitation, tender bid participation etc.

Pradhan Mantri Mudra Yojana (PMMY), collateral free institutional credit is provided by Member Lending Institutions (MLIs) i.e. Scheduled Commercial Banks (SCBs), Regional Rural Banks (RRBs), Non-Banking Financial Companies (NBFCs) and Micro Finance Institutions (MFIs). Any individual, who is eligible to take a loan and has a business plan for small business enterprise can avail loan up to Rs.20 lakh under PMMY for income generating activities in the manufacturing, trading and service sectorsacross four loan categories, viz. Shishu (loans upto Rs. 50,000), Kishor (loans above Rs. 50,000 and upto Rs. 5 lakh), Tarun (loans above Rs. 5 lakh and upto Rs. 10 lakh) and Tarun Plus (loans above Rs. 10 lakh and upto Rs. 20 lakh- for those entrepreneurs who have availed and successfully repaid previous loans under the 'Tarun' category w.e.f. 24.10.2024).

This information was given by the Minister of State for Micro, Small and Medium Enterprises Sushri Shobha Karandlaje in a written reply in Lok Sabha today.

****

AKS

(Release ID: 2158990)