GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION No. 725
TO BE ANSWERED ON 23.07.2026

ASSISTANCE TO SMALL BUSINESSES

725. SHRI RAJU BISTA:

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

(a) the total financial assistance provided to small businesses in Darjeeling and Kalimpong districts under the Prime Minister's Employment Generation Programme (PMEGP) and other Credit schemes during the last five years;
(b) the steps taken to upgrade the processing, packaging and marketing of local products, including orthodox tea, ginger, cardamom and traditional handicrafts; and
(c) the steps being taken by the Government to revive and modernize traditional village and cottage industries in rural areas to prevent youth migration and generate sustainable local employment?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

(a): Prime Minister's Employment Generation Programme (PMEGP) is a credit linked subsidy scheme being administered by the Ministry of MSME and implemented by the Khadi and Village Industries Commission (KVIC) to assist prospective entrepreneurs in setting up of new micro enterprises in the non-farm sector, by providing financial assistance in the form of Margin Money (MM) subsidy on bank sanctioned loans for generation of sustainable employment opportunities. Under PMEGP, MM Subsidy to the tune of Rs. 6.56 crore in Darjeeling district and Rs. 1.97 crore in Kalimpong district has been disbursed during the last five years i.e. FY 2021-22 to FY 2025-26.

Under National SC-ST Hub scheme of the Ministry of MSME, financial assistance is provided through Special Credit Linked Capital Subsidy Scheme (SCLCSS) component providing 25% of capital subsidy subject to a maximum of Rs. 25 lakh to eligible SC/ST owned MSEs for purchase of new plant and machinery and equipment for manufacturing and service sectors. During the last five years, capital subsidy amounting to Rs. 25.7 lakh have been released to 2 SC/ST beneficiaries under SCLCSS from West Bengal, including 1 beneficiary from Darjeeling district who received Rs. 18.2 lakh under the component.

Under the Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME), loans for 17 and 5 micro food processing enterprises have been sanctioned in Darjeeling and Kalimpong districts of West Bengal respectively, during the last five years.

(b): Steps taken by the Government for upgradation of processing, packaging and marketing of local products including orthodox tea, ginger, cardamom and traditional handicrafts include the following:

i. Under the Procurement and Marketing Support (PMS) Scheme, the Ministry provides financial assistance to eligible Micro and Small Enterprises for participation in domestic trade fairs/exhibitions, Vendor Development Programmes and National Workshops/Seminars to enhance their marketing capabilities and market access. The scheme also supports barcode registration and adoption of e-commerce platforms i.e. MSME Global Mart, to strengthen the marketing of MSE products. These interventions are available to eligible MSEs engaged in products such as orthodox tea, ginger, cardamom and traditional handicrafts subject to provisions of the scheme.

ii. Around 22,000 PMEGP assisted beneficiaries have been registered under the MSME TEAM (Trade Enablement and Marketing) scheme initiative being implemented by National Small Industries Corporation (NSIC) to expand market reach and enhance digital credibility helping micro and small enterprises onboard the Open Network for Digital Commerce (ONDC).

iii. Marketing support is provided to local products through KVIC's 8,035 “Khadi India” Sales outlets, including Departmental Sales Outlets and its retail branches. Furthermore, Exhibitions and Workshops are arranged regularly for participation of beneficiaries.

iv. E-Commerce portal (https://www.ekhadiindia.com) has been developed to provide digital market to sell products globally and to popularise Khadi and Village Industries products.

v. To promote Vocal for Local Initiative in food processing sector, PMFME Scheme primarily adopts One District One Product (ODOP) approach aimed at fostering balanced regional development across all districts of the country. The initiative aims to select, brand, and promote at least One Product from each District (One District One Product) of the country for enabling holistic socio economic growth across all regions. The Scheme provides financial, technical and business support for upgradation of micro food processing enterprises engaged in processing of all the products, including orthodox tea, ginger and cardamom. The Scheme supports technology upgradation, common infrastructure, branding & marketing, packaging, quality standardisation, food safety compliance and market linkages.

(c): Steps being taken by the Government to revive and modernize traditional village and cottage industries in rural areas to prevent youth migration and generate sustainable local employment opportunities under PMEGP include the following:

i. Around 80% of the total units assisted under PMEGP during the last five years have been assisted in rural areas.
ii. Enhancement of maximum project cost from Rs. 25 lakh to Rs. 50 lakh for manufacturing sector and from Rs. 10 lakh to Rs. 20 lakh for service sector.
iii. Inclusion of applicants from Aspirational districts and transgenders under Special Category eligible for higher subsidy.
iv. Establishment of PMEGP Helpdesks at State Offices to provide real-time assistance and hand-holding to potential beneficiaries.
v. A wide range of more than 1,000 Model of Detailed Project Reports prepared on various industries have been made available on the PMEGP portal.

vi. Disseminating Information, Education and Communication (IEC) material and video clips in regional languages for promotion in remote areas.
vii. As per RBI Master Directions on lending to MSMEs, no collateral security to be insisted by Banks for projects involving loan up to Rs. 20 lakh. Strict compliance of this provision has been reemphasized to all financing Banks.
viii. Periodical review meetings by the Ministry with Implementing Agencies i.e. KVIC, State offices of KVIC, State Khadi and Village Industries Boards (KVIBs), State District Industries Centres (DICs) and financial institutions.
ix. Awareness and outreach programmes in all the States/UTs including backward and under-performing areas, Aspirational districts, NER etc. to identify potential beneficiaries and provide handholding support during the application process.
x. Financial literacy camps and customer awareness programmes conducted by Banks to educate prospective entrepreneurs about various initiatives of the Government, including PMEGP.

Additionally, Khadi and Village Industries Commission (KVIC) imparts skill development training to unemployed youth under various disciplines viz. Khadi Spinning and Weaving, bakery product, beauty parlour, decorative items, manufacturing of Soap and Detergents, Bee-keeping, Stitching, embroidery, Agarbatti making, candle making, Teracotta products making, kulhad making, processing of pulses, Achar making, Papad making etc. Selected entrepreneurs and artisans engaged in production of unique and quality products are also given financial assistance to participate in the International Exhibition.

The Government has also launched the PM Vishwakarma scheme on 17.09.2023 to provide end-to-end holistic support to artisans and craftspeople of 18 traditional trades who work with their hands and tools. The scheme covers 18 trades, namely: Carpenter, Boat Maker, Armourer, Metal Artisan, Tool Kit Maker, Locksmith, Goldsmith, Potter, Sculptor/Stone Worker, Cobbler/Footwear Artisan, Mason, Basket/Mat/Broom Maker, Toy Maker (Traditional), Barber, Garland Maker, Washerman, Tailor and Fishing Net Maker.

Furthermore, the PMFME Scheme provides 35% credit-linked capital subsidy, Seed Capital support to SHG members, Capacity Building through Entrepreneurship Development Programme (EDP) and product-specific training, assistance for Common Infrastructure, and Branding & Marketing support to strengthen local value chains, promote entrepreneurship and value addition to agricultural produce, improve market access and generate sustainable employment opportunities in rural areas.

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