

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**RAJYA SABHA**  
**UNSTARRED QUESTION No. 3473**  
**TO BE ANSWERED ON 23.03.2026**

**EARLY-STAGE ENTERPRISE SUPPORT SCHEMES**

3473. SHRI KARTIKEYA SHARMA:

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

- (a) the details of PMEGP, Mudra and other early-stage enterprise support schemes, including eligibility, loan limits, approval timelines and beneficiaries during the last three years.
- (b) whether Government has examined difficulties faced by first-time young entrepreneurs in accessing small startup capital (Rs. 50,000- Rs. 5 lakh) due to lack of collateral, credit history and delayed approvals and the manner in which these schemes address this funding gap; and
- (c) whether simplified compliance, mentoring or handholding support is proposed for youth and student founders starting micro-enterprises, if so, the details thereof?

**ANSWER**

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

- (a): The details of the Prime Minister's Employment Generation Programme (PMEGP), Pradhan Mantri Mudra Yojana (PMMY) and Startup India are given below:
- i. Ministry of MSME, through Khadi and Village Industries Commission (KVIC), is implementing PMEGP for assisting entrepreneurs in setting up of new micro enterprises in the non-farm sector, primarily in rural areas by providing financial assistance in the form of Margin Money (MM) Subsidy on bank loans. It aims to provide sustainable employment opportunities to traditional artisans/ rural and urban unemployed youth at their doorstep.
    - a) Any individual aged 18 or above can apply for assistance under PMEGP. For projects with costs exceeding Rs. 10 lakh in the manufacturing sector or Rs. 5 lakh in the service sector, applicants must possess at least VIII standard pass educational qualification. Only one member from a family is eligible to receive financial assistance under PMEGP. Government employees are not permitted to avail benefits under the scheme.
    - b) The maximum cost of project admissible under PMEGP is Rs. 50 lakh for manufacturing sector and Rs. 20 lakh for service sector.
    - c) As per the existing scheme guidelines, total approval timelines of a PMEGP application from the date of its receipt by the concerned Implementing agency (IA) till the release of MM Subsidy to the Nodal Bank for onward releasing to the Financing Banks is 84 days.
    - d) During the last three years i.e. FY 2022-23 to FY 2024-25, around 2.34 lakh micro enterprises have been assisted under PMEGP.

- ii. PMMY was launched on 08.04.2015 under which 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) to non-corporate, non-farm small entrepreneurs.
    - a) Any individual, who is otherwise eligible to take a loan and has a business plan for small business enterprise can avail loan upto Rs.20 lakh under the Scheme for income generating activities in the manufacturing, trading and service sectors and also for activities allied to agriculture, across 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).
    - b) Under PMMY, a total of 18.37 crore loans have been extended across the country during the last three years, i.e., from April 2022 to March 2025.
  - iii. Startup India initiative was launched on 16<sup>th</sup> January 2016 to build a strong ecosystem for nurturing innovation, startups and encouraging investments in the startup ecosystem of the country. Under the Startup India initiative, the Government unveiled an action plan for startups comprising of schemes and incentives envisaged to create a vibrant startup ecosystem in the country.
    - a) As per eligibility conditions prescribed under G.S.R. notification 127 (E) dated 19<sup>th</sup> February 2019, entities are recognized as ‘startups’ under the Startup India initiative by the Department for Promotion of Industry and Internal Trade (DPIIT).
    - b) Under the Startup India initiative, the Government is implementing three flagship Schemes, Fund of Funds for Startups (FFS), Startup India Seed Fund Scheme (SISFS), and Credit Guarantee Scheme for Startups (CGSS) to provide funding opportunities and support startups across sectors at various stages of their business cycle.
    - c) Under FFS, as on 31<sup>st</sup> January 2026, Rs. 12,362.70 crore has been committed (gross commitments) and Rs. 6,829.47 crore has been disbursed to/drawdown by Alternative Investment Fund (AIFs). Under SISFS, as on 31<sup>st</sup> January 2026, Rs. 945 crore has been approved and Rs. 575 crore has been disbursed to selected incubators. Under CGSS, as on 31<sup>st</sup> January 2026, loans amounting to Rs. 925.90 crore have been guaranteed for startup borrowers.
- (b): Steps undertaken to help first-time young entrepreneurs to overcome challenges in accessing startup capital such as lack of collateral, no credit history, and slow approvals thereby bridging the funding gap include the following:
- i. The Government is implementing the Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs) through Credit Guarantee Fund trust for Micro and Small Enterprises (CGTMSE) to provide collateral free loans to MSEs. The ceiling for guarantee coverage under the scheme is Rs. 10 crore wherein the extent of guarantee ranges from 75% to 90%.

- ii. As per RBI's Master Directions on lending to MSMEs, no collateral security is to be insisted by Banks for projects involving loan up to Rs. 20 lakh. Furthermore, timelines for credit decisions for loans upto Rs. 25 lakh to units in the MSE borrowers has been updated to not more than 14 working days.
- (c): Steps taken to simplify compliance and provide mentoring and handholding support under PMEGP and Start up India are as follows:
- i. Awareness and outreach programmes in all the States/UTs including backward and under-performing areas, Aspirational districts, North Eastern Region, etc. to identify potential beneficiaries and provide necessary guidance and handholding support during the application process.
  - ii. Establishment of PMEGP Helpdesk at State/Divisional Offices to provide real time assistance to applicants.
  - iii. Acceptance of PMEGP applications from beneficiaries in physical form in 19 regional languages excluding Hindi and English.
  - iv. No requirement for any educational qualification under PMEGP for setting up projects costing up to Rs. 10 lakh in manufacturing sector and up to Rs. 5 lakh in service sector.
  - v. Conducting Entrepreneurship Development Programmes and webinars for prospective PMEGP entrepreneurs aimed at developing and improving their managerial, technical, and business skills.
  - vi. A wide range of more than 1,000 Model Detailed Project Reports have been prepared on various industries and made available on the PMEGP online portal.
  - vii. Support to ecosystem-led initiatives such as Startup Mahakumbh which serves as a vibrant platform for stakeholders to network and collaborate.

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