GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION No. 904
TO BE ANSWERED ON 27.07.2026

IMPLEMENTATION OF PMEGP IN UTTAR PRADESH

904. SMT. SANGEETA YADAV:

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

(a) data for the last three years on Prime Minister's Employment Generation Programme (PMEGP) applications received, sanctioned, rejected, and margin money disbursed at all-India level and of the State of Uttar Pradesh, year-wise;

(b) major reasons for rejection of application;

(c) the average processing time for PMEGP applications and margin money release in the State over the last three years, reasons for delays, and accountability mechanisms; and

(d) the initiatives that have led to improved application quality and reduced rejection rates?

ANSWER

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

(a): Year-wise details of applications received, sanctioned and rejected by banks and MM subsidy disbursed under the Prime Minister's Employment Generation Programme (PMEGP) at the all-India level and in the State of Uttar Pradesh during the last three financial years i.e. FY 2023-24 to FY 2025-26 is given below:

FY	All India				Uttar Pradesh			
	No. of application received by bank	No. of application sanctioned by bank	No. of application rejected by bank	MM subsidy disbursed (Rs. Cr.)	No. of application received by bank	No. of application sanctioned by bank	No. of application rejected by bank	MM subsidy disbursed (Rs. Cr.)
2023-24	3,71,518	1,61,6,00	1,96,363	3093.87	38622	19482	18541	435.29
2024-25	2,44,192	1,07,895	1,32,258	2202.00	13928	7496	7113	219.09
2025-26	1,61,711	50,430	74,409	2457.34	2955	959	861	303.60

Note: PMEGP is dynamic and demand driven scheme under which applications are processed on a continuous basis. Accordingly, applications progress through different stages from online submission of application to sanction of loans and disbursement of Margin Money Subsidy.

(b): Under PMEGP, the final sanctioning of projects and release of loans are done by concerned financing banks after appraising the viability of each project. Major reasons for rejection of PMEGP applications by financing banks include; project not viable, CIBIL Report not satisfactory, already running a unit, inadequate knowledge of proposed industry, non-receipt of mandatory document from beneficiary and beneficiary unable to complete Bank formalities.

(c): The processing of applications under PMEGP involves multiple stakeholders, including implementing agencies, banks and beneficiaries. Actual time taken for approval and sanction of application depends upon fulfillment of prescribed conditions by all stakeholders. Delays, wherever occur, are attributable to factors such as submission of incomplete applications or documents by applicants, time taken in appraisal and sanction of projects by banks, non-completion of EDP training and non-deposit of own contribution by beneficiaries etc. The average processing time for sanction of PMEGP applications by financing banks is 52 days and average time taken for disbursement of MM subsidy is 112 days. The time taken for disbursement of MM subsidy are subject to margin money claim raised by financing banks and availability of funds.

The Ministry regularly monitors the implementation of the Scheme through the online PMEGP portal, periodic review meetings with implementing agencies and banks, and continuous follow-up with the stakeholders to ensure timely disposal of applications and release of margin money.

(d): The Government has taken the following initiatives to improve the quality applications under PMEGP and to reduce rejection rates:

i. A new PMEGP Portal 2.0 launched as an end-to-end digital platform with BHASHINI for multilingual access, digital Detailed Project Report (DPR) with predefined fields to simplify the DPR submission for applicants, integrations with JAN Samarth, financing Banks and Udyam for seamless processing and simplified registration, Aadhar based biometric authentication and dedicated Mobile applications.
ii. Establishment of PMEGP Helpdesks at State Offices to provide real-time assistance and hand-holding to potential beneficiaries.
iii. 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.
iv. 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.
v. Financial literacy camps and customer awareness programmes conducted by Banks to educate prospective entrepreneurs about various initiatives of the Government, including PMEGP.

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