

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION No. 4074**  
**TO BE ANSWERED ON 19.12.2024**

**IMPROVEMENT IN PMEGP**

4074. SHRI JYOTIRMAY SINGH MAHATO:

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

(a) whether there is any plan to bring improvements in the Prime Minister's Employment Generation Programme (PMEGP) particularly in respect of providing financial assistance to the applicants and facilitating the access to the benefit under the said scheme;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

**ANSWER**

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

(a) to (c): Government has taken several steps for improvement in the Prime Minister's Employment Generation Programme (PMEGP) and providing financial assistance to the applicants and facilitating the access to the benefit under the scheme. The steps *inter alia* include:

- i. Enhancement of maximum project cost admissible from Rs. 25 Lakh to Rs. 50 Lakh for manufacturing sector and from Rs. 10 Lakh to Rs. 20 Lakh for service sector.
- ii. 2<sup>nd</sup> financial assistance of upto Rs. 1 cr. is being provided for upgradation and expansion of well-performing existing PMEGP/MUDRA units with subsidy of 15% (20% for NER and hill and border areas).
- iii. COVID years i.e., FY2020-21 and FY2021-22 have been exempted while considering profitability of existing PMEGP/ MUDRA units applying for 2<sup>nd</sup> Loan under PMEGP.
- iv. Inclusion of applicants from Aspirational districts and transgenders under Special Category eligible for higher subsidy.
- v. Review meetings with major banks are organized to ensure proper loan sanctioning and margin money disbursement.
- vi. Technical and retired bank officials have been engaged by KVIC to provide handholding to the beneficiaries under PMEGP.
- vii. A dedicated Portal for tracking the complete process from application till adjustment of Margin Money subsidy into the beneficiary's loan account.

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- viii. Offline applications are allowed for the prospective beneficiaries who are not acquainted with the online medium.
- ix. PMEGP applications from prospective beneficiaries in 11 regional languages since January 2024.

In addition, Reserve Bank of India has issued instructions to the banks for improving flow of credit to the MSME Sector including loans sanctioned under PMEGP which include:

- i. Priority Sector Lending: All bank loans to MSMEs qualify for classification under priority sector lending.
- ii. Collateral requirements of MSME units: Scheduled Commercial Banks have been mandated not to accept collateral security in the case of loans up to ₹10 lakh extended to units in the MSE sector.
- iii. Timeline for credit decisions: For loans up to ₹25 lakh to units in the MSE borrowers, banks are advised that the timelines for credit decisions shall not be more than 14 working days.

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