

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION No.4625**  
**TO BE ANSWERED ON 21.08.2025**

**CREDIT FLOW TO PMEGP BENEFICIARIES**

4625. SHRI K E PRAKASH:

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

- (a) whether any special measures are being taken to improve outreach, application processing time and credit flow to PMEGP beneficiaries in rural areas; and
- (b) if so, the details of such initiatives and their expected impact?

**ANSWER**

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

(a) and (b): Measures taken by Government to improve outreach, application processing time and credit flow to beneficiaries, especially in rural areas under PMEGP include the following:

- i. Under PMEGP, beneficiaries belonging to rural areas are covered under special category of beneficiaries who are eligible for higher rate of subsidy and lower own contribution to the project cost. Consequently, 80% of the total units have been assisted in rural areas.
- ii. Awareness programmes in all the States/UTs including backward and under-performing areas, Aspirational districts, Northeastern Region etc.
- iii. Acceptance of PMEGP applications from beneficiaries in physical form in 11 regional languages since January 2024 excluding Hindi and English i.e., Gujarati, Malayalam, Punjabi, Manipuri, Bangla, Marathi, Tamil, Assamese, Kannada, Oriya and Telugu to improve outreach especially in rural areas.
- iv. Conduct of two-days free online Entrepreneurship Development Programme (EDP) for prospective entrepreneurs.
- v. 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 to improve the quality of project proposals.
- vi. Negative List has been modified to allow more activities such as dairy, poultry, aquaculture, insects (bees, sericulture, etc.) under Animal Husbandry to be permitted under the Scheme.
- vii. Banks have been advised not to insist collateral security for projects involving loan up to 10 lakh as per RBI guidelines to improve credit flow to beneficiaries.
- viii. A dedicated portal for tracking the complete process from application till adjustment of MM subsidy into the beneficiary's loan account to improve efficiency and transparency.
- ix. Banker's Review meetings conducted at Ministry, State and zonal level to ensure proper sanctioning of loans without delays and disbursement of margin money.
- x. Technical experts & Retired Bank Officials have been engaged to provide handholding support to prospective PMEGP beneficiaries during application stage.
- xi. Periodical review meetings with Implementing Agencies i.e. State offices of KVIC, State KVIBs, State DICs and financial institutions to strengthen the implementation of the scheme.

\*\*\*\*\*