

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION No. 2244
TO BE ANSWERED ON 12.02.2026

IMPLEMENTATION OF PMEGP

2244. SHRI ASADUDDIN OWAISI:

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

- (a) whether the Government is aware that the banks are rejecting a high number of Prime Minister Employment Generation Programme (PMEGP) applications on the grounds of service area and if so, the actions taken by the Government to reduce this number;
- (b) whether interest was levied on Government subsidies provided to some enterprises under the scheme, if so, the measures taken to resolve this issue;
- (c) the efforts being made by the Government to increase awareness and participation in the program, since the number of women entrepreneurs and young individuals covered under the program has dropped significantly; and
- (d) the number of units established with support under this program, region-wise and their contribution to the manufacturing sector's GDP?

ANSWER

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

- (a): Prime Minister's Employment Generation Programme (PMEGP) is a demand driven scheme and the final rejection or sanction of projects or release of loan is done at the level of the concerned financing banks which appraise the projects and take their own credit decision based upon technical and economical viability of each project. The option for rejecting the applications on account of "Out of Service Area" and "Target Achieved" by Banks has been removed on the portal. The rate of rejection of PMEGP applications by Banks has come down from 63 percent in FY 2019-20 to 46 percent in FY 2024-25.
- (b): As per PMEGP guidelines, no interest is payable on the Term Deposit Receipt/Subsidy Reserve Fund (TDR/SRF), and no interest shall be charged on the portion of the loan corresponding to the amount kept as TDR/SRF out of the Margin Money subsidy received from the Government. The Ministry has advised all major banks to ensure compliance with this provision. Additionally, banks are mandated to update the revised interest rate and TDR/SRF details on the PMEGP portal.

(c): Steps taken by Government to increase awareness and participation of potential beneficiaries including women and youth in PMEGP include the following:

- i. 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.
- ii. Inclusion of applicants from Aspirational districts and transgenders under Special Category eligible for higher subsidy.
- iii. Awareness programmes, webinars and workshops in all the States/UTs including backward and under-performing areas, Aspirational districts, North Eastern Region, etc.
- iv. Acceptance of PMEGP applications from beneficiaries in physical form in 19 regional languages excluding Hindi and English.
- v. Disseminating Information, Education and Communication (IEC) material and video clips in regional languages to promote PMEGP across all category of beneficiaries
- vi. Conduct of two-days free online Entrepreneurship Development Programme (EDP) for prospective entrepreneurs.
- vii. A wide range of more than 1,000 Model of Detailed Project Reports have been prepared on various industries and made available on the PMEGP online portal.

(d): During the last four years i.e. FY 2021-22 to FY 2024-25, around 3.37 lakh micro enterprises have been assisted under PMEGP. During the period, around 49% of the total units i.e. around 1.65 lakh micro enterprises have been assisted under manufacturing sector. State/UT wise number of micro enterprises assisted during the period is given at **Annexure I**.

ANNEXURE-I REFERRED TO IN REPLY TO PART (d) OF THE LOK SABHA UNSTARRED QUESTION NO. 2244 FOR ANSWER ON 12.02.2026.

Sr. No.	State/UT Name	No. of micro enterprises assisted during the last four years i.e. FY 2021-22 to FY 2024-25
1	Andaman Nicobar	479
2	Andhra Pradesh	14376
3	Arunachal Pradesh	679
4	Assam	12038
5	Bihar	18808
6	Chandigarh	51
7	Chhattisgarh	9795
8	Delhi	248
9	Goa	260
10	Gujarat*	11997
11	Haryana	5471
12	Himachal Pradesh	3974
13	Jammu Kashmir	58599
14	Jharkhand	7118
15	Karnataka	19006
16	Kerala	11567
17	Ladakh	643
18	Lakshadweep	9
19	Madhya Pradesh	21957
20	Maharashtra**	12376
21	Manipur	2640
22	Meghalaya	2399
23	Mizoram	1947
24	Nagaland	3489
25	Odisha	13023
26	Puducherry	159
27	Punjab	5793
28	Rajasthan	7230
29	Sikkim	590
30	Tamil Nadu	22875
31	Telangana	9799
32	Tripura	2979
33	Uttar Pradesh	41402
34	Uttarakhand	5727
35	West Bengal	7709
Total		337212

*including Daman and Diu

**including Dadra and Nagar Haveli