

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION No. 22
TO BE ANSWERED ON 29.01.2026

LOAN SANCTIONS UNDER PMEGP

22. SHRI DARSHAN SINGH CHOUDHARY:

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

- (a) whether concrete steps have been taken to address delays occurring in the first two quarters of the year in sanctioning of loans under the Prime Minister's Employment Generation Programme (PMEGP), and if so, the details thereof;
- (b) whether the list of nodal officers has been published on the e-portal to ensure compliance with the Reserve Bank of India's directive of 30 days and if so, the details thereof;
- (c) whether the process of long-term monitoring and physical verification of units established under the Programme would be strengthened so that failed units receive support and successful units are provided opportunities for expansion and if so, the details thereof; and
- (d) whether an interest calculator has been installed on the PMEGP portal and whether a uniform minimum interest rate has been implemented for all beneficiaries to prevent excess interest recovery and if so, the details thereof?

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 sanction of projects and sanction and release of loan is done at the level of the concerned financing bank which appraise the projects and take their own credit decision based on the viability of each project. As per RBI guidelines on Lead Bank Scheme, Bankers' Committee meetings at Block, District, and State levels are held on a regular basis to ensure effective coordination, monitoring and implementation of the scheme. Regular Meetings by State Level Monitoring Committees (SLMC) and District level Monitoring Committees (DLMC) are also held to review the performance and implementation of PMEGP in respective States and Districts.

(b): The details of Nodal Officers have been published on the online dashboard of the PMEGP Portal. Details of the same are as below:

<https://kviconline.gov.in/pmegpeportal/dashboard/fbNodalBankList.jsp>

(c): To facilitate timely adjustment of MM subsidy into the beneficiary's loan account, a mechanism for physical verification of micro-enterprises set up under PMEGP with geo-tagging and working status of the establishment is in place and being implemented successfully. Furthermore, to provide financial assistance to support successful micro enterprises assisted under PMEGP, second loan component is in place to provide financial assistance up to Rs.1 crore with subsidy of 15% for all categories (20% for NER and Hill areas) for upgradation of well-performing existing manufacturing units assisted under PMEGP/REGP/MUDRA.

(d): An Interest/EMI Calculator is in place on the PMEGP portal to enhance transparency and enable beneficiaries to understand their repayment obligations before availing loans. The calculator allows beneficiary to input the loan amount, applicable annual rate of interest, and loan tenure, and automatically displays the monthly EMI, total interest payable, and total repayment amount.

Reserve Bank of India (RBI) has deregulated interest rates on bank advances. Therefore, interest rates for PMEGP loans are determined by individual banks within the regulatory framework prescribed by RBI. However, RBI has issued directions to all Regulated Entities to ensure transparency, fairness, and adequate disclosure of loan terms, thereby enabling PMEGP beneficiaries to make informed decisions and preventing arbitrary interest recovery.
