

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION No. 3435
TO BE ANSWERED ON 12.03.2026

DELAY IN DISBURSING LOANS UNDER PMEGP

3435. SHRI BHASKAR MURLIDHAR BHAGARE:

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

- (a) whether the Government has examined the persistent and disproportionate delays in sanctioning and disbursing loans under the Prime Minister's Employment Generation Programme (PMEGP) in Tribal and Scheduled Area districts of Maharashtra, including the average time taken from application to final disbursement, district-wise and if so, the details thereof;
- (b) whether the Government is aware that a large number of PMEGP applications in tribal districts such as Nandurbar, Gadchiroli, Palghar and parts of Nashik remain pending for prolonged periods, leading to cost escalation, beneficiary withdrawals and low conversion of approvals into functional enterprises and if so, the details thereof;
- (c) whether data has been compiled on rejection rates, repeated documentation demands and bank-wise performance in these tribal districts;
- (d) the steps taken to address structural bottlenecks in bank appraisal, credit aversion and inter-agency coordination in tribal Maharashtra; and
- (e) whether a State-specific accountability and monitoring mechanism is proposed to ensure timely, transparent and inclusive PMEGP loan sanctions in tribal areas and if so, the details thereof?

ANSWER

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

(a) and (b): The Government is implementing the Prime Minister's Employment Generation Programme (PMEGP) through the Khadi & Village Industries Commission (KVIC) and regularly reviews its implementation including delays in loan sanctioning and disbursement across the country including in the Tribal and Scheduled Area districts of Maharashtra. Under PMEGP, the final sanctioning of projects and release of loans are done by the concerned financing banks after appraising the viability of each project. State Level Bankers Meetings and District level Bankers Meetings are held to ensure proper sanctioning of loans and disbursement. Further, State Level Monitoring Committee (SLMC) and District Level Monitoring Committee (DLMC) meetings are held at State and District levels on a regular basis to monitor and review the scheme's implementation. As per available data, the average turnaround time for disbursement of loan after loan sanction has come down from 42 days in FY 2023-24 to 27 days in FY 2025-26 at a National level.

(c): Under PMEGP, key performance parameters of the scheme including bank-wise performance, rejection rates of applications along with detailed reasons for rejection as recorded by the banks etc. across the country including in the tribal districts of Maharashtra are being tracked and compiled through the online PMEGP portal.

(d) and (e): Recent steps undertaken to address structural bottlenecks in bank appraisal, credit aversion and inter-agency coordination including state-specific monitoring mechanisms under PMEGP include the following:

- i. Top level Banker's meetings, State Level Bankers Meetings and District level Bankers Meetings are held on a regular basis to ensure proper sanctioning of loans and disbursement of margin money.
- ii. State Level Monitoring Committee and District Level Monitoring Committee meetings held at State and District levels on a regular basis to monitor and review the implementation of PMEGP.
- iii. Review of rejection reasons by Banks and removal of reasons i.e. "Out of Service Area" and "Target Achieved" as basis for rejection of PMEGP applications by banks.
- iv. 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 quality of proposals.
- v. Regular participation of Banks in applicant awareness and outreach programmes organised by Implementing Agencies to identify potential beneficiaries and provide necessary guidance and handholding support during the application process.
- vi. Financial literacy camps and customer awareness programmes conducted by Banks to educate prospective entrepreneurs about various initiatives of the Government, including PMEGP.
