

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION No. 4441
TO BE ANSWERED ON 19.03.2026

PMEGP IN TAMIL NADU

4441. SHRI MALAIYARASAN D:

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

- (a) the details of the Prime Minister's Employment Generation Programme (PMEGP) and the number of beneficiaries covered under the scheme in Tamil Nadu so far;
- (b) the details of financial assistance allocated to Tamil Nadu under the PMEGP Scheme for the establishment of new micro-enterprises and the total number of units set up in the State;
- (c) the sectors or industries prioritized for funding under the PMEGP Scheme in Tamil Nadu and the impact of these initiatives on local employment and economic growth;
- (d) the steps taken by the Government to ensure effective implementation and monitoring of the PMEGP Scheme in Tamil Nadu, particularly in rural and underserved areas; and
- (e) the manner in which the Government plans to enhance awareness and accessibility of the PMEGP Scheme among the youth, women and marginalized communities in Tamil Nadu?

ANSWER

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

(a) to (c): Prime Minister's Employment Generation Programme (PMEGP) is a Central Sector Scheme which provides financial assistance in the form of Margin Money (MM) Subsidy to potential entrepreneurs throughout the country including Tamil Nadu in setting up new micro enterprises in the non-farm sector, primarily in rural areas. The scheme aims to provide sustainable employment opportunities to traditional artisans/ rural and urban unemployed youth at their doorstep.

Since its inception i.e. FY 2008-09 till FY 2025-26 (up to 15.03.2026), 71,128 number of micro enterprises have been assisted in the State of Tamil Nadu with Rs. 1,838.85 crore as MM Subsidy generating estimated employment opportunities to around 6.6 lakh persons.

Several major sectors and industries are given priority under PMEGP throughout the country including Tamil Nadu based on their employment potential and relevance to rural and traditional skills. These include Agro-based and Food Processing, Forest-based Industries, Handmade Paper and Fibre, Mineral-based Industries, Polymer and Chemical-based Industries, Rural Engineering and Bio-Technology, Service and Textile related Activities.

(d): Steps taken by the Government to ensure effective implementation and monitoring of the PMEGP Scheme throughout the country including Tamil Nadu, particularly in rural and underserved areas 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. Acceptance of PMEGP applications from beneficiaries in physical form in 19 regional languages excluding Hindi and English.
- iv. As per RBI Master Directions on lending to MSMEs, no collateral security to be insisted by Banks for projects involving loan up to Rs. 20 lakh. Strict compliance of this provision has been reemphasized to all financing Banks.
- v. Review of rejection reasons and removal of reasons i.e. "Out of Service Area" and "Target Achieved" as basis for rejection of PMEGP applications by banks.
- vi. 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.
- vii. Top level Banker's meetings, State Level Bankers Meetings and District level Bankers Meetings held on a regular basis to ensure proper sanctioning of loans and disbursement of margin money.
- viii. Periodical review meetings by the Ministry with Implementing Agencies i.e. Khadi and Village Industries Commission (KVIC), State offices of KVIC, State Khadi and Village Industries Boards (KVIBs), State District Industries Centres (DICs) and financial institutions.
- ix. State Level Monitoring Committee (SLMC) and District Level Monitoring Committee (DLMC) meetings held at State and District level on a regular basis to monitor and review the implementation of PMEGP.

(e): Steps taken by the Government to enhance awareness and accessibility of PMEGP among the youth, women and marginalized communities throughout the country including Tamil Nadu include the following:

- i. Awareness and outreach programmes in all the States/UTs including backward and under-performing areas, Aspirational districts, North Eastern Region, etc. to identify potential beneficiaries and provide necessary guidance and handholding support during the application process.
- ii. Conduct of two-days free online Entrepreneurship Development Programme (EDP) for prospective entrepreneurs.
- iii. An online PMEGP portal is in place for tracking the complete process from application till adjustment of MM subsidy into the beneficiary's loan account.
- iv. Acceptance of PMEGP applications from beneficiaries in physical form in 19 regional languages excluding Hindi and English.
- v. Financial literacy camps and customer awareness programmes conducted by Banks to educate prospective entrepreneurs about various initiatives of the Government, including PMEGP.
