GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION No. 850
TO BE ANSWERED ON 23.07.2026

PMEGP IN RAMANATHAPURAM

850. SHRI NAVASKANI K:

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

(a) whether the Prime Minister's Employment Generation Programme (PMEGP) provides margin money subsidy of up to thirty five per cent for establishing new non-farm micro enterprises and if so, the details thereof;
(b) the number of micro enterprises established under above programme in Ramanathapuram Lok Saba Constituency in Tamil Nadu during the last three years, along with the margin money subsidy sanctioned and released, category-wise;
(c) the number of employment opportunities generated through PMEGP-supported enterprises in Ramanathapuram Lok Saba Constituency during the said period;
(d) whether the Government has received representations or complaints regarding delays in sanction of bank loans, release of margin money subsidy or rejection of PMEGP applications from beneficiaries in said constituency and if so, the details thereof; and
(e) the steps taken to improve credit flow, expedite subsidy release and facilitate timely assistance to aspiring entrepreneurs in Ramanathapuram Lok Saba Constituency under PMEGP?

ANSWER

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

(a): Prime Minister’s Employment Generation Programme (PMEGP) is a credit linked subsidy scheme being administered by the Ministry of MSME and implemented by the Khadi and Village Industries Commission (KVIC) to assist prospective entrepreneurs in setting up of new micro enterprises in the non-farm sector, by providing financial assistance in the form of Margin Money (MM) subsidy on bank sanctioned loans for generation of sustainable employment opportunities.

PMEGP assists General category beneficiaries with MM Subsidy of 25% and project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories i.e. SC, ST, OBC, minority, Women, Ex-servicemen, physically handicapped, transgenders, beneficiaries belonging to NER, Hill and border areas and Aspirational districts, the MM Subsidy is 35% in rural areas and 25% in urban areas.

Details of MM Subsidy disbursed under PMEGP during the last three financial years i.e. FY 2023-24 to FY 22025-26 is given below:

Financial Year	**MM Subsidy (Rs. Crore)**
2023-24	3093.88
2024-25	2202.00
2025-26	2457.34

(b) and (c) Category-wise details on the number of micro enterprises assisted, MM Subsidy sanctioned and disbursed and estimated employment generated under PMEGP in Ramanathapuram Lok Sabha Constituency in Tamil Nadu during the last three years is given below:

Category	No. of Units Assisted	MM Subsidy (Rs. Lakh)	Estimated Employment Generated
General	113	62.07	1017
Scheduled Castes	22	49.23	198
Other Backward Classes	61	238.91	549

(d): Under PMEGP, representations and complaints are received from beneficiaries including those from the Ramanathapuram Lok Sabha Constituency with issues pertaining to delays in the sanction of bank loans, release of MM subsidy, or rejection of PMEGP applications. The Ministry of MSME, KVIC, and the concerned district level implementing agencies including financing banks address them in a timely and systematic manner by providing suitable replies to beneficiaries to ensure effective redressal of their concerns.

(e): Steps taken to improve credit flow, expedite MM subsidy release and facilitate timely assistance to aspiring entrepreneurs throughout the country including in Ramanathapuram Lok Sabha Constituency under PMEGP include the following:

i. A new PMEGP Portal 2.0 launched as an end-to-end digital platform with BHASHINI for multilingual access, integrations with JAN Samarth, financing Banks and Udyam for seamless processing and simplified registration, Aadhar based biometric authentication and dedicated Mobile applications.
ii. 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.
iii. 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.
iv. 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 MM Subsidy.
v. Inclusion of applicants from Aspirational districts and transgenders under Special Category eligible for higher subsidy.
vi. Establishment of PMEGP Helpdesks at State Offices to provide real-time assistance and hand-holding to potential beneficiaries.
vii. A wide range of more than 1,000 Model of Detailed Project Reports prepared on various industries have been made available on the PMEGP portal.
viii. 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.
ix. 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.
x. Financial literacy camps and customer awareness programmes conducted by Banks to educate prospective entrepreneurs about various initiatives of the Government, including PMEGP.

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