Prime Minister's Employment Generation Programme (PMEGP)

Genesis: Prime Minister's Employment Generation Programme (PMEGP) was implemented by merging the two schemes namely Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) for generation of employment opportunities through establishment of micro enterprises in rural as well as urban areas. The Scheme is being implemented by Khadi and Village Industries Commission (KVIC), State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and Banks.

Objective:

(i) To generate employment opportunities in rural as well as urban areas of the country through setting up of new self-employment ventures/projects/micro enterprises.

(ii) To bring together widely dispersed traditional artisans/ rural and urban unemployed youth and give them self-employment opportunities to the extent possible, at their place.

(iii) To provide continuous and sustainable employment to a large segment of traditional and prospective artisans and rural and urban unemployed youth in the country, so as to help arrest migration of rural youth to urban areas.

(iv) To increase the wage earning capacity of artisans and contribute to increase in the growth rate of rural and urban employment.

Quantum and Nature of Financial Assistance:

Levels of funding under PMEGP

Categories of beneficiaries under PMEGP	**Beneficiary's contribution (of project cost)**	**Rate of Subsidy (of project cost)**	
Area (location of project/unit)		Urban	Rural
General Category	10%	15%	25%
Special (including SC / ST / OBC / Minorities/ Women, Ex-servicemen, Physically handicapped, NER, Hill and Border areas etc.	5%	25%	35%

NB:

(1) The maximum cost of the project/unit admissible under manufacturing sector is Rs.25 lakh.

(2) The maximum cost of the project/unit admissible under business/service sector is Rs. 10 lakh.

(3) The balance amount of the total project cost will be provided by Banks as term loan.

2nd Loan for upgradation of existing PMEGP/REGP/MUDRA units:

Categories of beneficiaries under PMEGP (for upgradation of existing units)	**Beneficiary's contribution (of project cost)**	**Rate of Subsidy (of project cost)**
All Categories	10%	15% (20% in NER and Hill States)

Financial Institutions involved in PMEGP

- All Public Sector Banks.
- All Regional Rural Banks, Co-operative Banks, Private Sector Scheduled Commercial Banks regulated by RBI.
- Small Industries Development Bank of India (SIDBI)

Eligibility Conditions of Beneficiaries:

(i) Any individual, above 18 years of age.

(ii) There will be no income ceiling for assistance for setting up projects under PMEGP.

(iii) For setting up of project costing above Rs.10 lakh in the manufacturing sector and above Rs. 5 lakh in the business /service sector, the beneficiaries should possess at least VIII standard pass educational qualification.

(iv) Assistance under the Scheme is available only for new projects sanctioned specifically under the PMEGP.

(v) Self Help Groups (including those belonging to BPL provided that they have not availed benefits under any other Scheme) are also eligible for assistance under PMEGP.

(vi) Institutions registered under Societies Registration Act,1860;

(vii) Production Co-operative Societies, and

(viii) Charitable Trusts.

(ix) Existing Units (under PMRY, REGP or any other scheme of Government of India or State Government) and the units that have already availed Government Subsidy under any other scheme of Government of India or State Government are not eligible.

Entrepreneurship Development Programme (EDP)

The objective of EDP is to provide orientation and awareness pertaining to various managerial and operational functions like finance, production, marketing, enterprise management, banking formalities, book-keeping, statutory compliances etc. to run their business effectively.

Physical verification of PMEGP Units:

100% physical verification with geo-tagging of the actual establishment and working status of each of the units, set up under PMEGP, including those assisted by other IAs, will be done by KVIC, through the third-party agencies having expertise in this area, following the prescribed procedures as per General Financial Rules (GFR) of Government of India.