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Prime Minister's Employment Generation Programme (PMEGP)

*Manish Mavaliya
Ph.D. Research Scholar, Department of Agricultural Extension and Communication, College of Agriculture, Sriganganagar (SKRAU, Bikaner), Rajasthan, India
*Corresponding Author's email: manishmavaliya@gmail.com

Government of India has approved the introduction of a new credit linked subsidy programme called Prime Minister's Employment Generation Programme (PMEGP) by merging the two schemes that were in operation till 31.03.2008, 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.

- PMEGP is a central sector scheme administered by the Ministry of Micro, Small and Medium Enterprises (MoMSME).
- At the national level, the Scheme is being implemented by Khadi and Village Industries Commission (KVIC), a statutory organization under the administrative control of the Ministry of MSME as the single nodal agency.
- At the State level, the Scheme will be implemented through State KVIC Directorates, State Khadi and Village Ind ustries Boards (KVIBs) and District Industries Centres (DICs) and banks.
- The Government subsidy under the Scheme will be routed by KVIC through the identified Banks for eventual distribution to the beneficiaries / entrepreneurs in their Bank accounts.
- The Implementing Agencies, namely KVIC, KVIBs and DICs will associate reputed Non Government Organization (NGOs)/reputed autonomous institutions/Self Help Groups (SHGs) / National Small Industries Corporation (NSIC) / Udyami Mitras empanelled under Rajiv Gandhi Udyami Mitra Yojana (RGUMY), Panchayati Raj institutions and other relevant bodies in the implementation of the Scheme, especially in the area of identification of beneficiaries, of area specific viable projects, and providing training in entrepreneurship development.
- The scheme is being implemented for the period of five years from 2021-22 to 2025-26.

Objectives

- 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.
- 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.
- 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.
- To increase the wage-earning capacity of workers and artisans and contribute to increase in the growth rate of rural and urban employment.

Eligibility

- Individuals above 18 years of age
- There will be no income ceiling for assistance for setting up projects under PMEGP.

- 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.
- Assistance under the scheme is available only for new projects sanctioned specifically under the PMEGP.

Salient features of the scheme

- The scheme is being implemented by Khadi and Village Industries Commission (KVIC), a statutory organization under the administrative control of the Ministry of MSME as the single nodal agency at the National level. At the State level, the scheme is implemented through State offices of KVIC, State Khadi and Village Industries Boards (KVIBs),District Industries Centres (DICs), Coir Board(for coir related activities) and Banks
- Existing units or units already availed any Govt. Subsidy either under State/Central Govt. Schemes are not eligible.
- Any industry including Coir Based projects excluding those mentioned in the negative list.
- The maximum cost of the project/unit admissible for Margin Money subsidy under Manufacturing sector is Rs. 50 lakhs. The maximum cost of the project/unit admissible for Margin Money subsidy under Business/Service sector is Rs. 20 lakhs. The balance amount (excluding the own contribution)of the total project cost will be provided by Banks. If the total project cost exceeds Rs. 50 lakhs or Rs. 20 Iakhs for Manufacturing and Service/Business sector respectively, the balance amount may be provided by Banks without any Government subsidy.

Area of Operation

- Any area classified as Village as per the revenue record of the State/Union Territory, irrespective of population OR All the areas, irrespective of their population, falling under Panchayati Raj Institutions will be accounted under rural areas, whereas areas falling under Municipality to be treated as urban areas.

Negative list of activities

- Industry / Business connected with productions / processing / sale of meat or intoxicant items like Beedi / Pan / Cigar / Cigarette etc.
- Industry / Business connected with cultivation, sericulture, horticulture, floriculture.
- Manufacture of Polythene carry bags of less than 20 microns / containers of recycled plastic.
- Processing of Pashmina Wool and products involving hand spinning and hand weaving coming under purview of Khadi Certification Rule.
- Rural Transport (except Auto rickshaw, House boat, tourist boat in A & N Islands and except house boat, Shikara & Tourist Boats in Jammu & Kashmir and Cycle Rickshaw.)
- CNG Auto Rickshaw will be allowed only in A & N Islands and NER with the approval of Chief Secretary of the State on merit.

Quantum of margin money subsidy

Categories of beneficiaries under PMEGP	Beneficiary's own contribution (of project cost)	Rate of Subsidy	
		Urban	Rural
General Category	10%	15%	25%
Special (including SC/ST/OBC /Minorities/ Women, Ex-Servicemen, Physically handicapped, NER, Hill and Border areas etc)	05%	25%	35%