

Prime Minister's Employment Generation Programme (PMEGP)

June 1, 2022

In news- The PMEGP has been approved for continuation over the 15th Finance Commission Cycle for five years from 2021-22 to 2025-26.

About Prime Minister's Employment Generation Programme (PMEGP)-

- The Ministry of MSME is implementing the programme to facilitate generation of employment opportunities for **unemployed youth across the country by assisting the setting up of micro-enterprises in the non-farm sector.**
- Since **its inception in 2008-09**, about 7.8 lakh micro enterprises have been assisted, generating estimated sustainable employment for 64 lakh persons.
- All the States/UTs will be covered under the Scheme.
- Its objective is to generate employment opportunities in rural as well as urban areas through setting up of self-employment ventures.
- KVIC is a national level nodal agency and at State/District level State office of KVIC, State KVIBs and DICs are the implementing agencies.
- **Only one person from a family is eligible for obtaining financial assistance** under the scheme.
- Assistance under the scheme is **available only for new projects.**
- The assistance under the scheme will not be available to activities indicated in the negative list under the scheme.

Eligible Entrepreneurs/Borrowers-

- Any individual, above 18 years of age.
- The beneficiaries should have passed at least VIII

standard, for setting up of projects costing above Rs.10 lakhs in the manufacturing sector and above Rs. 5 lakhs in the business/service sector.

- Self Help Groups (including those belonging to BPL provided that they have not availed benefits under any other Scheme).
- Institutions registered under Societies Registration Act,1860.
- Production Co-operative Societies.
- Charitable Trusts.

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.

Major ***modifications/improvements made*** in the existing Scheme are:

- **Increasing the maximum project cost from existing Rs.25 lakh to Rs. 50 lakh for manufacturing units and from existing Rs.10 lakh to Rs.20 lakh for service units.**
- Modify definition of village industry and Rural Area for PMEGP.
- Areas falling under Panchayati Raj institutions to be accounted under rural areas, whereas areas under Municipality to be treated as urban areas.