

Prime Minister's Employment Generation Programme

Details (Prime Minister's Employment Generation Programme)

Launched in August 2008, Prime Minister's Employment Generation Programme (PMEGP) is a credit-linked subsidy scheme, administered by the Ministry of Micro, Small and Medium Enterprises (MSME). PMEGP aims to generate employment opportunities through the establishment of micro-enterprises in the non-farm sector for rural as well as urban areas. The scheme has been approved for continuation over the 15th Finance Commission cycle i.e., for the period of five years from 2021-22 to 2025-26. PMEGP was formed by merging the two schemes that were in operation till 31st March 2008, namely Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP). Objectives To generate employment opportunities in rural as well as urban areas of the country through the setting up of new self-employment ventures/projects/micro enterprises. Implementing Agencies At the National level, the scheme is being implemented by the Khadi and Village Industries Commission (KVIC), a statutory organization under the administrative control of the Ministry of MSME as the single nodal agency.

Objectives (Prime Minister's Employment Generation Programme)

- PMEGP aims to generate employment opportunities through the establishment of micro enterprises in the non farm sector for rural as well as urban areas. Objectives To generate employment opportunities in rural as well as urban areas of the country through the setting up of new self employment ventures/projects/micro enterprises.

Important Features (Prime Minister's Employment Generation Programme)

- Launched in August 2008, Prime Minister's Employment Generation Programme (PMEGP) is a credit linked subsidy scheme, administered by the Ministry of Micro, Small and Medium Enterprises (MSME). PMEGP aims to generate employment opportunities through the establishment of micro enterprises in the non farm sector for rural as well as urban areas. The scheme has been approved for continuation over the 15th Finance Commission cycle i.e., for the period of five years from 2021 22 to 2025 26. PMEGP was formed by merging the two schemes that were in operation till 31st March 2008, namely Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP). An outlay of ₹13,554.42 Crore has been approved for PMEGP for five Financial Years (2021 22 to 2025 26) to set up about 4,00,000 projects with the creation of 30,00,000 employment @8 persons per unit). In addition, 1,000 Units will be upgraded in each FY.

Benefits (Prime Minister's Employment Generation Programme)

- Funds under PMEGP Scheme will be available under two major heads: 1. Margin Money Subsidy a) Funds will be allocated under annual Budget Estimates toward disbursement of Margin Money (subsidy) for setting up new micro enterprises/units and b) From the funds allocated under BE for the Margin Money subsidy, ₹ 100 Crores or as approved by the competent authority will be earmarked for each FY towards disbursement of Margin Money (subsidy) for the upgradation of existing PMEGP/REGP/MUDRA units. 2. Backward and Forward Linkages 5% of the total allocation under BE for a Financial Year against PMEGP, or as approved by the competent authority, shall be earmarked as funds under Backward and Forward Linkages and will be utilized for arranging awareness camps, State/District level monitoring meetings, Workshops, Exhibitions, Bankers meetings, TNDA, Publicity, Entrepreneurship Development Programme (EDP) training, Physical verification & Geo tagging, Evaluation & impacts Assessment study, Setting of Entrepreneurship Facilitation Centre (EFC), Center of Excellence (CoE), Engagement of Field Experts and Data Entry Operators (DEOs), Creation and Upgradation of IT infrastructure, Awards, Call Centre facility, PMU, and other related activities and settlement of other residual liabilities by the KVIC. Levels of support under PMEGP 1. For

setting up new micro

- enterprise (units) a) Categories of beneficiaries under PMEGP (for setting up of new enterprises): General Category Beneficiary's contribution (of project cost): 10% Rate of Subsidy (of project cost): 15% for Urban Areas, 25% for Rural Areas. b) Categories of beneficiaries under PMEGP (for setting up of new enterprises): Special Category (including SC, ST, OBC, Minorities, Women, Ex Servicemen, Transgenders, Differently abled, NER, Aspirational Districts, Hill and Border areas(as notified by the Government), etc. (i) Beneficiary's contribution (of project cost): 05% (ii) Rate of Subsidy (of project cost): 25% for Urban Areas, 35% for Rural Areas. Note: The maximum cost of the project/unit admissible for Margin Money subsidy under the Manufacturing sector is ₹50,00,000. The maximum cost of the project/unit admissible for the Margin Money subsidy under the Business/Service sector is ₹20,00,000. The balance amount (excluding the own contribution)of the total project cost will be provided by Banks. If the total project cost exceeds ₹50,00,000 or ₹20,00,000 for Manufacturing and Service/Business sector respectively, the balance amount may be provided by Banks without any Government subsidy. 2. 2 nd Loan for Upgradation of Existing PMEGP / REGP / MUDRA Units a) Categories of beneficiaries under PMEGP (for upgradation of existing units): All Categories b) Beneficiary's contribution (of project cost): 10% c) Rate of Subsidy (of project cost): 15% (20% in NER and Hill States). Note: 1) The maximum cost of the project/unit admissible for Margin Money subsidy under the Manufacturing sector for upgradation is ₹10,00,00,000. The maximum subsidy would be ₹15,00,000 (₹20,00,000 for NER and Hill States). 2) The maximum cost of the project/unit admissible for Margin Money subsidy under the Business/Service sector for upgradation is ₹25,00,000. The maximum subsidy would be ₹3,75,000 (₹5,00,000 for NER and Hill States). 3) The balance amount (excluding the own contribution)of the total project cost will be provided by Banks. 4) If the total project cost exceeds ₹10,00,00,000 or ₹25,00,000 for Manufacturing and Service/Business sector respectively, the balance amount may be provided by banks without any Government subsidy.

Eligibility (Prime Minister's Employment Generation Programme)

- For PMEGP new enterprises (Units) Any individual, above 18 years of age. There will be no income ceiling for assistance in setting up projects under PMEGP. For setting up of project costing above Rs.10 lakh in the Manufacturing sector and above ₹ 5,00,000 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. Existing Units (under PMRY, REGP, or any other scheme of the Government of India or State Government) and the units that have already availed of Government Subsidy under any other scheme of the Government of India or State Government are not eligible. For up
- gradation of existing PMEGP / REGP / MUDRA units Margin Money(subsidy)claimed under PMEGP has to be successfully adjusted on the completion of the lock
- in period of 3 years. The first loan under PMEGP/REGP/MUDRA has to be successfully repaid in the stipulated time. The unit is profit
- making with good turnover and has the potential for further growth in turnover and profit with modernization/upgrading of the technology. Reservation / Preference / Priority Priority will be given to the persons affected by natural calamities/disasters in the areas which are declared as affected by "disaster" as defined under Section 2(d) of the Disaster Management Act, 2005 by the Ministry of Home Affairs.

Application Process (Prime Minister's Employment Generation Programme)

1.
 - Application For New Unit: Visit the official website <https://www.kviconline.gov.in/pmegpeportal/pmegphome/index.jsp> .
 - Click on the "Apply" button under the "Application For New Unit" tab .
 - Furnish all the required details on <https://www.kviconline.gov.in/pmegpeportal/jsp/pmegponline.jsp> and click on Save Applicant Data.
 - On the next page, upload the required documents and proceed for final submission.
2.
 - Application For Existing Units (2 nd Loan): Visit the official website <https://www.kviconline.gov.in/pmegpeportal/pmegphome/index.jsp> .
 - Click on the "Apply" button under "Application For Existing Units (2nd Loan)" tab.

- Click on the Online Application tab and fill the complete form on :
<https://www.kviconline.gov.in/pmegpeportal/pmegplILOAN/index.jsp> .
- Complete the form and click on Next page, upload the required documents and proceed for final submission.
- 3.
- Login Form For Registered Applicant of Second Loan Subsidy for Upgrading of Existing Unit: Visit the official website of PMEGP Portal:
<https://www.kviconline.gov.in/pmegpeportal/pmegplILOAN/applicantLogin.jsp> .
- Enter your User ID and Password and click Log in.

Documents Required (Prime Minister's Employment Generation Programme)

- Caste Certificate Special Category Certificate
- wherever required Rural Area Certificate Project Report Education / EDP / Skill Development Training Certificate Any other applicable document

Document generated on 2025-11-15.