PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP)

In order to generate continuous and sustainable employment opportunities in Rural and Urban areas of the country, PMEGP is a credit linked subsidy programme launched on 15th August 2008 by merging the two erstwhile schemes called Prime Minister’s Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP).

The scheme administered by the Ministry of Micro, Small and Medium Enterprises and implemented by Khadi and Village Industries Commission

**Implementing Agencies**

* National level: Kadhi and Village Industries Commission (KVIC)
* State Level :State KVIC, State Khadi and Village Industries Boards (KVIB) & District Industries Centres (DICs) and banks.

**Cost of the Project**

The maximum cost for

* Manufacturing sector : Rs.25 lakhs
* Business/Services sector : RS.10 lakhs.

**Eligible Entrepreneurs / Borrowers:**

* Individuals above 18 years of age.
* VIII Std. pass required for project above Rs.10.00 lakhs in manufacturing and above Rs. 5.00 lakhs for Service Sector.
* Self Help Groups and Charitable Trusts.
* Institutions Registered under Societies Registration Act- 1860.
* Production based Co-operative Societies.

**Repayment**

3 to 7 years with an initial moratorium not exceeding 6 months.

**Security**

* Assets created out of the bank's finance.
* Personal guarantee of the proprietor / promoter.
* No collateral security up to Rs. 10 lakhs.
* Eligible units to be covered under CGMSE. (excluding Margin Money / subsidy component)

**Margin Money (Subsidy) & Beneficiary’s Margin**

| **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) | 5% | 25% | 35% |