



**PHD Research Bureau**  
PHD Chamber of Commerce and Industry



## **Continuation of the on-going Plan Scheme - Prime Minister's Employment Generation Programme (PMEGP), over the 15th Finance Commission cycle for five years from 2021-22 to 2025-26 with an outlay of Rs.13554.42 Crore**

Ministry of MSME, Government of India is implementing Prime Minister's Employment Generation Programme (PMEGP), to facilitate generation of employment opportunities for unemployed youth across the country by assisting setting up of micro-enterprises in non-farm sector. KVIC is national level nodal agency. At State/District level State office of KVIC, State KVIBs and DICs are the implementing agencies. Coir Board is the implementing Agency for the Coir Units.

Entire process of application to sanction and release of funds by banks is online through the portal <https://www.kviconline.gov.in/pmeeportal/pmegphome/index.jsp>.

Since its inception in 2008-09, about 7.8 lakh micro enterprises have been assisted with a subsidy of Rs 19,995 Crore generating estimated sustainable employment for 64 lakh persons. About 80% of the units assisted are in rural areas and about 50% units are owned by SC, ST and women categories.

The PMEGP has now been approved for continuation over the 15th Finance Commission Cycle for five years from 2021-22 to 2025-26 with an outlay of Rs.13554.42 Crore. Following major modifications/improvements have been made in the existing Scheme:

i. 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 area, where as areas under Municipality to be treated as urban area.

All Implementing Agencies are allowed to receive and process applications in all areas irrespective of the rural or urban category.

PMEGP applicants under aspirational districts and transgender will be treated as Special category applicants and entitled for higher subsidy.

Major impact: Scheme will create sustainable estimated employment opportunities for about 40 lakh persons in five financial years.

States/districts covered: All the States/UTs will be covered under the Scheme.

Higher rate of Margin Money subsidy - 25% of the project cost in urban area and 35% of the project cost in rural areas, for special category applicants including, SC, ST, OBC, women, Transgender, Physically Disabled, NER, Aspirational and Border district applicants. For General category applicants subsidy is 15% of the project cost in urban area and 25% of the project cost in rural areas.

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Warm Regards,

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