

Prime Minister's Employment Generation Programme (PMEGP)

Ministry of Micro, Small and Medium Enterprises, Govt. of India has announced a new credit linked subsidy programme called Prime Minister's Employment Generation Programme (PMEGP) on 15th August, 2008 for generation of employment opportunities through establishment of micro enterprises in rural as well as urban areas. KVIC is the nodal agency for implementation of the scheme at the national level. The Khadi and Village Industries Board is being implemented the KVIC's Prime Minister's Employment Generation Programme through Banks with one time Margin Money Assistance (Subsidy) programme in rural and urban areas..

The rate of Margin Money (Subsidy) of project cost is being providing 25 percent in Rural Area and 15 percent in Urban Area for General Category and simultaneously 35 percent in Rural Area and 25 percent in Urban Area for weaker section beneficiaries like SC/ST/OBC/ Minorities/Women /Ex.Servicemen/Transgenders/ Differently Abled/ NER, Aspirational Districts/ Hill and Border areas (as notified by the Government) etc. on maximum project cost for manufacture sector upto Rs. 50 lakh alongside the said margin money subsidy also eligible for service sector which having project cost upto Rs.20 lakh.

Nodal Agency:

KVIC is the Nodal agency at national level to implement the scheme across the country.

Implementing agencies & Area:

At State level the scheme is implemented through State offices of KVICs, KVIBs, and DICs in both rural and urban areas.

Maximum Project Size:

Rs. 50.00 lakh for manufacturing sector and Rs. 20.00 lakh for service sector.

Educational Qualification:

Minimum VIIIth pass for the project cost above Rs. 10.00 lakh under manufacturing sector and above Rs. 5.00 lakh project cost under service sector.

EDP Training:

For manufacturing/service sector projects up to and inclusive of Rs. 5.00 lakh project cost, EDP duration is 5 working days are mandatory.

For manufacturing/service sector projects with project cost of more than Rs. 5.00 lakh, the EDP duration of 10 working days are mandatory.

How to Apply:

The scheme will be advertised through print and electronic media. The applicant can submit application along with project report at nearest KVIC/KVIB/DIC/Bank Offices.

Documents required:

Certificate of education qualification, Technical Qualification, Caste Certificate (wherever applicable), EDP Training Certificate (for beneficiaries already undergone), Passport size photo, copy of Aadhaar card etc.

Project sanction:

Project will be sanctioned by financing branches of the Banks as per techno-economic viability.

Amount of Bank Loan:

Bank sanctions and release 90-95% loan of the sanctioned project cost.

Own Contribution:

10% of the project cost in case of general category and 5% in case of weaker section beneficiaries. 5% contribution/equity of the project cost will be for women.

Level of Support under PMEGP:

Categories of beneficiaries under PMEGP	Beneficiary's contribution (of project cost)	Rate of Subsidy (of project cost)	
Area (location of project/unit)		Urban	Rural
General Category	10%	15%	25%
Special Category (including SC, ST, OBC, Minorities, Women, Ex-Servicemen, Transgenders, Differentlyabled, NER, Aspirational Districts, Hill and Boarder areas (as notified by the Government) etc.	05%	25%	35%

Industries and Negative List

Group 1 - Mineral based industries:

1. Kiln Pottery Industry
2. Limestone Lime Shell and other Lime Products Industry
3. Stone cutting, grinding, carving and quarrying for temples and buildings
4. Useful articles made of stone
5. Slate and slate pencil
6. Manufacture of plaster of paris
7. Dish washing powder
8. Briquettes of firewood
9. Manufacture of ornaments from gold, silver, stone, shell and artificial materials
10. Manufacture of gulal, rangoli
11. Manufacture of bangles, paints, dyes
12. Manufacture of Conch Shell Toys.
13. Cutting, Designing, Polishing of Ornamental Glass.
14. Gemstone Cutting.

Group 2- Forest based industries:

1. Hand paper
2. Manufacture of Kattha
3. Manufacture of Gum and resin.
4. Manufacture of Laakh.
5. Manufacture of Cottage match industry, crackers and agarbatti.
6. Bamboo and cane work.
7. Manufacture of Boxes, Paper cups, saucers, bags and paper bags.
8. Binding of copies, envelope manufacturing, register manufacturing and other stationery items made from paper
9. Making of broom.
10. Collection, processing and packing of forest produce
11. Photo framing.
12. Manufacturing of jute products.
13. Beekeeping.

Group 3- Agro-based and Food Industries:

1. Manufacture of Noodle
2. Electric Flour Mill
3. Manufacture of Oatmeal.
4. Mini Rice Shelling Unit/Rice Mill.
5. Manufacture of Palm Jaggery and Other Palm Products Industries.
6. Manufacture of Sugarcane Jaggery and Khandsari.
7. Manufacture of Indian Sweets
8. Raswanti Sugarcane Juice Catering Unit

9. Processing, Packing and Marketing of Cereals, Pulses, Spices, etc.
10. Processing, Testing and Canning of Fruits and Vegetables including Pickles
11. Ghani Oil Industry
12. Menthol Oil
13. Coir fiber
14. Collection of herbs for medicinal purposes
15. Processing of maize and ragi
16. Manufacture of pith, mats and necklaces etc.
17. Cashew processing
18. Making of leaves
19. Manufacture of Milk product
20. Manufacture of Animal feed, poultry stream.

Group 4-Polymer and chemical based industries:

1. Manufacture of leather Products.
2. Cottage soap industry
3. Manufacture of rubber articles.
4. Product out of Rexin P.V.C.
5. Manufacture of Nylon Rope.
6. Manufacture of Candle Camphor and sealing wax.
7. Manufacture of Plastic packaging articles.
8. Manufacture of Bindi.
9. Manufacture of Mehandi.
10. Manufacture of Perfume.
11. Manufacture of Shampoo.
12. Manufacture of Hair oil.
13. Manufacture of Detergent and washing powder.

Sector 5 - Engineering and non-conventional energy:

1. Carpentry
2. Blacksmithing
3. Production of aluminium domestic products
4. Production and utilization of manure and methane gas from cow dung and other waste products such as meat and faeces of dead animals etc.
5. Manufacture of paper, pins, clips, septy pins, stove pins etc.
6. Earthworms and garbage disposal.
7. Manufacture of decorative rings, bottles, glasses etc.
8. Umbrella production
9. Solar and wind energy equipment
10. Handmade brass utensils
11. Manufacture of hand-made copper utensils
12. Manufacture of hand-made utensils of copper
13. Manufacture of lead and other articles of iron

14. Manufacture of radios.
15. Manufacture of cassette players.
16. Manufacture of voltage stabilizer
17. Manufacture of electronic clocks and alarms, clocks
18. Wood carving and manufacture of artistic furniture
19. Tin Works
20. Motor binding
21. Wire mesh weaving
22. Manufacture of Iron grating (prill)
23. Manufacture of rural transport vehicles like hand carts, bullock carts, small boats, two wheelers / cycle rickshaws, motorized carts etc.
24. Manufacture of musical instruments.

Group 6 - Textile industry:

1. Hosiery
2. Sewing and ready-to-stitch clothing
3. Spraying
4. Manufacturing of toys and dolls
5. Manufacturing of thread balls, woolen balls and sticks
6. Embroidery
7. Manufacture of surgical bandages Stove lights. Group or industry

Group7 – Service Sectors:

1. Washing
2. Barber
3. Repair of plumbing wiring and household electronic equipment
4. Repair of diesel engines, pump sets etc.
5. Agricultural service work for spraying, insecticide pumpsets etc.
6. Loudspeaker, Sound Broadcaster etc.
7. Battery Charging
8. Art Panel Painting
9. Cycle Repair Shop
10. Carpenter
11. Band Fish
12. Dhaba
13. Tea Shop
14. Iodized Salt

Following industries /Business connected with Animal Husbandary will also be allowed:

- a) Dairy- Milk and other dairy products through primarily Cows but also sheep, goats, camels, buffaloes, horses, and donkeys.
- b) Poultry – Poultry, kept for their eggs and for their meat, include chickens, turkeys, geese and ducks.
- c) Aquaculture – It is the farming of aquatic organisms including fish, molluscs, crustaceans and aquatic plants.
- d) Insects – including Bees, Sericulture etc.
- e) Tourist Activities – Tourist/Transport activities purchase of Cab/Van/Boat/Motorboat/Shikara etc. is valid.

Negative List:

The following list of activities will not be permitted under PMEGP for setting up of micro enterprises/projects/units:

1. Any industry/Business connected with Meat (slaughtered), i.e., processing, canning and/or serving items made of it as food, production/Manufacturing or sale of intoxicant items like Beedi/Pan/Cigar/Cigarette etc., any Hotel or Dhaba or sales outlet serving liquor, preparation/producing tobacco as raw materials, tapping of toddy for sale will not be allowed.
 - a) However, serving/selling non-vegetarian food at Hotels/Dhabas will be allowed.
2. Activities prohibited by Local Government/Authorities keeping in view environment or socio-economic factors will not be allowed.
3. Manufacturing of polythene carry bags of less than 75 microns thickness and manufacture of carry bags or containers made of recycled plastic for storing, carrying, dispensing or packaging of food stuff and any other item which causes environmental problems. Thickness of polythene carry bags shall be governed by the Ministry of Environment, Forest and Climate change notification for plastic waste management rules and amendments from time to time.
4. Any Industry/Business connected with cultivation of crops/plantation like Tea, Coffee, Rubber etc. sericulture (Cocoon rearing), Horticulture, Floriculture, Animal Husbandry will not be allowed.
 - a) However, value addition under these will be allowed under PMEGP, Off Farm/Farm Linked activities in connection with sericulture, horticulture, floriculture etc. will also be allowed.

(As a special case piggery, which is a major source of livelihood in NER may also be allowed in NER states only)