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Prime Minister Employment Generation Programme (PMEGP) : Most Important Topic for 2021 Competitive Exams

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Background

- Government of India has approved the introduction of a new credit linked subsidy programme called Prime Minister's Employment Generation Programme (PMEGP) by merging the two schemes that were in operation till 31.03. 2008, namely Prime Minister's Rojgar Yojana (PMRY) & Rural Employment Generation Programme (REGP) for generation of employment opportunities through establishment of micro enterprises in rural as well as urban areas.
- PMEGP is a central sector scheme administered by the Ministry of Micro, Small & Medium Enterprises (MoMSME) .
- At the national level, the Scheme is being implemented by Khadi & Village Industries Commission (KVIC) , a statutory organization under the administrative control of the Ministry of MSME as the single nodal agency.
- At the State level, the Scheme will be implemented through State KVIC Directorates, State Khadi & Village Industries Boards (KVIBs) & District Industries Centres (DICs) & banks.
- The Government subsidy under the Scheme will be routed by KVIC through the identified Banks for eventual distribution to the beneficiaries/entrepreneurs in their Bank accounts.
- The Implementing Agencies, namely KVIC, KVIBs and DICs will associate reputed Non-Government Organization (NGOs) /reputed autonomous institutions/Self Help Groups (SHGs) / National Small Industries Corporation (NSIC) / Udyami Mitras empanelled under Rajiv Gandhi Udyami Mitra Yojana (RGUMY) , Panchayati Raj institutions & other relevant bodies in the implementation of the Scheme, especially in the area of identification of beneficiaries, of area specific viable projects, and providing training in entrepreneurship development.

Objectives

- To generate continuous and sustainable employment opportunities in Rural & Urban areas of the country
- To provide continuous & sustainable employment to a large segment of traditional & prospective artisans, rural & urban unemployed youth in the country through setting up of micro enterprises.
- To facilitate participation of financial institutions for higher credit flow to micro sector.



Objective

cont.

- ✦ To provide continuous and sustainable employment to a large segment of traditional and prospective artisans, rural and urban unemployed youth in the country for their better livelihood.
- ✦ To increase the wage earning capacity of artisans and contribute to increase in the growth rate of rural and urban employment.
- ✦ To facilitate participation of financial institutions for higher credit flow to micro enterprises.

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Eligibility

- Individuals above 18 years of age

- VIII Std. pass required for project above ₹ 10.00 lakhs in manufacturing & above ₹ 5.00 lakhs for Service Sector
- Self Help Groups & Charitable Trusts
- Institutions Registered under Societies Registration Act- 1860
- Production based Co-operative Societies

Salient Features of the Scheme

- The Scheme is implemented through KVIC and State/UT Khadi & V. I. Boards in Rural areas and through District Industries Centres in Urban & Rural areas in ratio of 30: 30: 40 between KVIC/KVIB/DIC respectively.
- No income ceiling for setting up of projects.
- Assistance under the Scheme is available only to new units to be established.
- Existing units or units already availed any Govt. Subsidy either under State/Central Govt. Schemes are not eligible.
- Any industry including Coir Based projects excluding those mentioned in the negative list.
- Per capita investment should not exceed ₹ 1.00 lakhs in plain areas & ₹ 1.50 lakhs in Hilly areas.
- Maximum project cost of ₹ 25.00 lakhs in manufacturing sector & ₹ 10.00 lakhs in Service Sector.

Area of Operation

- Rural Area as declared under KVIC Act 2006 - Scheme to be implemented by KVIC, KVIB and DIC ("Rural Area" means the area comprised in any Village & includes the area comprised in any town, the population of which does not exceed twenty thousand or such other figure as the Central Government may specify from time to time as declared under KVIC Act 2006)
- Urban area - Only District Industries Centres (DIC)

Negative List of Activities

- Industry/Business connected with productions/processing/sale of meat or intoxicant items like Beedi/Pan/Cigar/Cigarette etc.
- Industry/Business connected with cultivation, sericulture, horticulture, floriculture.
- Manufacture of Polythene carry bags of less than 20 microns/containers of recycled plastic.

- Processing of Pashmina Wool and products involving hand spinning & hand weaving coming under purview of Khadi Certification Rule.
- Rural Transport (except Auto rickshaw, House boat, tourist boat in A & N Islands and except house boat, Shikara & Tourist Boats in Jammu & Kashmir and Cycle Rickshaw.)
- CNG Auto Rickshaw will be allowed only in A & N Islands and NER with the approval of Chief Secretary of the State on merit.

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