# PM Employment Generation Programme (PMEGP) & Inclusive Growth

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## Why in News?

Recently, Ministry of Micro Small & Medium Enterprises (MSME) reported a record-breaking performance of PMEGP during 15th Finance Commission (FC) Meeting

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*The FC of India is a constitutional body (Article 280) established by the President every five years to recommend the distribution of tax revenues between the Central and State governments, aiming for equitable fiscal federalism***.**

## 15th FC Performance

- **Budget Utilization** - Of Rs **13,554.42 crore** outlay.
- Enterprises established – Around 4,03,706 **(MSME)** Surpassing 4.02 lakh target.

  **Employment generation –** Around 36.33 lakh,

- **Rural Dominance -** In rural area 80% of units are established, boosting rural Industries.
- **Social Inclusion -**
  - **Women -** Account for nearly **40%** of total units and received **45%** of the total Margin Money subsidy.
  - **Social Categories - 54%** of beneficiaries belong to **SC, ST & OBC.**

## About PMEGP

- **Model Ministry –** Ministry of MSME.
- **Nature of scheme –** Setting up of credit Linked subsidy scheme for new micro – enterprises**.**
- **Implementing Agency –** Khadi & Village Industries commission.
- **Aim** – For rural & urban area generating sustainable employment opportunity.
- **Eligible sector** – New Micro- Enterprises in the Non-farm sector

## Scheme Mechanism

**Margin Money (MM) Subsidy –** Provided by government on the total project cost.

- **Bank Credit -** A small percentage (5 to 10%) of the project cost beneficiaries must contribute, while rest is provided as bank loan.
- **Subsidy Rates:**

- **General Category -** 25% Rural & 15% Urban
- **(SC/ST/OBC/Women/PH/NER)** -(Rural). Rural 35% & Urban 25%

**Eligibility Criteria – Any individual 18 year & above**

- **Minimum qualification** - of **8th standard pass** for projects costing above Rs10 lakh (Manufacturing) or Rs5 lakh (Service).
- Only **new units** are eligible for assistance (existing units are not covered).
- Self-Help Groups (SHGs), Institutions registered under Societies Registration Act, and Charitable Trusts are also eligible.

**For Reference**: PIB | IAS Parliament

