

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

[Click Here](#) to know more about MSME

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](#)

