

Prime Minister's Employment Generation Programme (PMEGP)

Eligibility	Only for New Entrepreneurs. i) This scheme is eligible for new project. Existing / Old units are not eligible. ii) Units registered under MSME (Udyam Adhar Registration). iii) Only one person from one family is eligible. (Family includes Self and spouse).		
Eligible Entities	Business owners, Entrepreneurs MSMEs, & Self Help Groups (SHGs)		
Age Criteria	Above 18 years		
Educational Qualification	Minimum 8 th Pass std.		
Maximum project Cost	Rs. 50 Lakhs for Manufacturing Unit. (Max Bank Finance Rs 47.50 Lakhs) Rs. 20 Lakhs for Service Unit. (Max Bank Finance Rs 19.00 Lakhs)		
Repayment period	3 to 7 years including moratorium.		
Percentage of Margin from Customer	Category	Margin	
	General Category	10%	
	Special(SC/ST/OBC/Minorities/Women)/Ex-servicemen, physically handicapped Etc.)	5%	
Rate of Subsidy:	Category	Urban	Rural
	General Category	15%	25%
	Special (SC/ST/OBC/Minorities/Women)/Ex-servicemen, physically handicapped etc.)	25%	35%
Interest Rate	Loan Amount	ROI	
	Up to Rs 25.00 lakh	10.50%	
	Above Rs 25.00 lakh	11.50%	
Security	A) Prime Security <ul style="list-style-type: none"> ➤ Property to be purchased /constructed by applicant will remain prime security. Construction permission from competent authority is required. ➤ For hypothecation loan, prime security will be the machinery & equipment to be purchased. ➤ For Cash credit, stock & debtors will be prime security. B) Collateral Security: <ul style="list-style-type: none"> ➤ Collateral security coverage ratio should be 1.00 (100% collateral security equal to loan amount is to be taken). Collateral security not to be insisted for loans up to Rs 10 lakh excluding cash credit limits. 		
Processing Fee	1.00 % on sanction amount.		
Bank Finance	1. For manufacturing units, working capital (CC) should not be more than 40% of the project cost. 2. For service sector, working capital (CC) should not be more than 60% of the project cost. 3. Projects without Capital Expenditure are not eligible for financing under the scheme. 4. Cost of land should not be included in the project cost. 5. Trading activity should not be included.		