2nd Loan for Upgradation of Existing PMEGP/MUDRA Units

Ministry: Ministry of Micro, Small and Medium Enterprises (MSME) **Implementation Agency:** Khadi and Village Industries Commission

1. Eligibility Criteria

- Existing **PMEGP or MUDRA units** with a good performance track record
- First loan must be **fully repaid or regularly serviced**
- Business should be **profitable for the last 2–3 years**
- Must have **Udyam Registration**
- Expansion should result in **additional employment generation**
- Applicants can apply through the **same or a different bank** willing to extend credit

2. Benefits

- Subsidy support:
    - 15% for General areas
    - 20% for North Eastern Region (NER) & Hill States
- Maximum project cost:
    - Manufacturing sector: up to ₹1 crore
    - Service/Trading sector: up to ₹25 lakh
- **Interest subvention:** 3% per annum
- Supports **business expansion, modernization, and scaling operations**

3. How to Apply

- Apply through the official PMEGP portal (2nd loan section):
  https://www.kviconline.gov.in
- Submit application via **existing or new financing bank**
- Provide:
    - Expansion project plan

- Financial details

- Beneficiaries can choose any implementing agency:
    - KVIC
    - KVIB
    - DIC

4. Documents Required

- Udyam Registration Certificate
- Previous loan repayment proof
- Business performance records
- Project report for expansion
- KYC documents (Aadhaar Card, PAN Card)
- Audited financial statements and Income Tax Returns (ITR) for the last 3 years
- Proof of margin money (subsidy) adjustment from the first loan
- Proof of business premises (ownership/rent agreement)
- Passport-size photographs

Official Website

https://www.kviconline.gov.in