

11.29 Subsidy for upgrading of existing units

- (i) An additional component namely Expanding/Upgrading the existing unit set up under PMEGP/REGP/MUDRA has been added, wherein the units already setup under PMEGP/REGP/MUDRA and performing very well in terms of turnover, profit making and loan repayment will be eligible for availing further financial assistance of up to Rs.1.00 crore for Manufacturing units, through Banks with uniform subsidy of 15-20% by the Government for all specified categories in clause 3.2 (ii). For Service/Trading units the financial assistance would be up to Rs.25 lakhs only.
- (ii) Units would be selected uniformly from all over the country, about 10 from each district based on the population density, industrial development, availability of traditional skill/raw material etc.
- (iii) KVIC has made relevant provision in the PMEGP-e-Portal alongwith simplified application form for submitting application by the existing units for up-gradation.
- (iv) The District level Agencies (KVIC/KVIB/DIC/other IAs) after the preliminary scrutiny will forward the applications to Financing Banks, which will appraise the project both economically and technically and take the credit decision. The Financing Banks will claim the Margin Money(subsidy) as per the procedure prevalent for PMEGP units. The Margin Money(subsidy) will be kept as TDR/SRF for three years. No interest will be paid on the TDR/SRF and no interest will be charged on loan disbursed to the corresponding amount of TDR/SRF.
- (v) TDR/SRFs will be adjusted in the loan account of the beneficiary after completion of 3 years lock in period on the basis of positive report of the physical verification by the third-party Agencies. In case of any dispute, joint verification can be done by the concerned IA with the Financing Bank and third-party Agencies. Margin Money shall be adjusted by the Financing Bank only on the receipt of Margin Money (subsidy) adjustment letter from the concerned IA.

12.1 Budget outlay and targets

An outlay of Rs.13,554.42 Crore has been approved for PMEGP for five Financial Years (2021-22 to 2025-26) to setup about 4 lakh projects (micro enterprises) with creation of about 30 lakh employment (@8 persons per unit). In addition, 1000 Units will be upgraded in each Financial Year.

