

GENERAL GUIDELINES FOR SELF HELP GROUPS

The Scheme would support clusters and groups such as producer SHGs along their entire value chain for all kinds of post-harvest activities as well as value adding activities like sorting, grading, storage, common processing, assaying, packaging, marketing, processing of Agri-produce, and testing laboratories.

A. BENEFITS POSSIBLE FOR SHGs, SHG Federations: - Grant @35% with credit linkage,

B. TRAINING & HANDHOLDING SUPPORT TO SHGS: For support to SHGs, a large number of trained resource persons are available with State Rural Livelihood Missions (SRLMs). These local resource persons of SRLM having expertise in Agro-produce would be utilized for training, upgradation of units, DPR preparation, handholding support, etc.

C. ELIGIBILITY FOR APPLYING FOR CREDIT LINKED SUBSIDY FOR AN SHGs

1. Priority would be given to SHGs involved in ODOP produce.
2. The SHGs should have sufficient own funds for meeting 10% of the project cost and 20% margin money for working capital or sanction of the same as grant from the State Government.
3. The SHG members should have for a minimum period of 3 years' experience in processing of the ODOP product.

D. GUIDELINES FOR EVALUATING THE APPLICATION

1. Guidelines for Subjective Evaluation

- a) **Proposed Processing** – The processing proposed by the SHGs should be organically linked to the livelihood of the members. The proposed project should be a natural extension of what the farmers/producers are already doing.
- b) **Capital Investment** – Project should have justification for capital expenditure. The proposal should be clear about how capital investment will help the members. For e.g. It may help them in fetching a better price from the market through further value addition, quality assurance, better packaging through larger machinery etc.
- c) **Type of Applicant**
 - i. Past experience of the applicant enterprise should be relevant.
 - ii. Innovative and value addition promoting applications to be preferred.

2. Guidelines for Financial Evaluation

Past Track Record of the SHGs - Profitability of the enterprise should be checked based on their financial statements. Already profitable businesses to be given priority. Also, the projected growth should be realistic.

Approval Checklist for SHGs			
	CATEGORY	INDICATOR	Positive Indicators for assessment
1	Financial & Business Efficiency (Historical)	Gross Profit Margins	More than 1%
		Net Profit Margins	More than 1%
		Break even Analysis	Positive
		Sources of Finance	Higher % of own Contribution – Higher Wtg.
		Loan Repayment	Firm with good repayment history to be given wtg
		Banking	Healthy business credit matching with sales to be given wtg
2	Vintage/Stability	Having own Business Premise	
		Vintage	3 years+
		Compliance with laws of the land	
3	Social Impact	Number of people getting employed or gaining additional income from the project	

a. Activities possible for gaining Credit linked subsidy for the SHGs (where capital investment is required)

Particulars	Process	Kinds of Capital Investments possible
Primary Processing	Farm level - Sorting, grading, cleaning Preparatory activities - chopping, dicing, blanching, grinding etc.	Gravity separator, vibrating sieve, magnetic separator, blanchers, pulverizers, crushers, dicers and slicers, cyclone separators etc.
Secondary Processing	Cooking, baking, blending, fermentation, canning, bottling, drying, brining, retorting, freezing, addition of additives, smoking, pasteurization etc	Cooking kettle, Oven, planetary mixer, fermentator, retort chamber, hot air driers, blast freezers, pasteurizers, homogenizers, centrifuge etc.
Packaging and labeling	Primary, secondary and tertiary packaging, modified atmospheric	Packaging machines, form-fill-seal machine etc.

Particulars	Process	Kinds of Capital Investments possible
	packaging, intelligent packaging etc.	
Standardisation and Quality Assurance	Quality testing, Moisture Content, Fat, SNF, Acidity, Protein, Adulteration, platform testing, Online Process Testing, Microbial testing	Bench-top Muffle furnace, Moisture balance, water activity meter, pH meter, hunter colorimeter, Soxhlet apparatus, test tube and other glass wares, Laminar chamber, refractometer etc
Storage facilities	Storage, Cold Storage, Ambient Storage, Controlled Atmosphere, Modified Atmosphere	Anti-lock room, cold storage, CA, ULO Technology, Chillers, humidity room, Modified atmosphere rooms, Refrigerators etc.
		Ancillary equipment. - Buckets, drums, taps, Packaging material, trolleys, conveyor belts and transportation line, stacking pallets, crates etc.

Other Plant and Machinery can include

1. Furniture and fixtures
2. Computer and office equipment
3. Work shed