

Annexure

"Implementation of PM Formalisation of Micro Food Processing Enterprises Scheme"

Name of the scheme	PM Formalisation of Micro Food Processing Enterprises Scheme (PM FME)
Nature of Facility	Term Loan & CC
Scheme code	TLFME & CCFME
GI Code	33523 & 33035 respectively.
BSR Activity Code	15101-15104, 15201, 15301- 15303, 15401-15409, 15501-15502
Purpose	Providing financial, technical and business support for upgradation of existing micro food processing enterprises.
Eligibility	<ul style="list-style-type: none">➤ Individual Micro Food Processing Units.➤ FPOs/SHGs/ Producer Cooperatives for capital investment along the entire value chain for sorting, grading, assaying, storage, common processing, packaging, marketing, processing of Agri-produce and testing laboratories.
Eligibility criteria for individual micro enterprises	<ul style="list-style-type: none">➤ Existing micro food processing units in operations;➤ Existing units should be those identified in the State Level Upgradation Plan (SLUP) for One District One Product (ODOP) products or by the Resource Person on physical verification. In case of units using electrical power, electricity bill would support it being in operations. For others units, existing operations, inventory, machines and sales would form the basis;➤ The enterprise should be unincorporated and should employ less than 10 workers;➤ The enterprise should preferably be involved in the product identified in the ODOP of the district. Other micro enterprises could also be considered;➤ The applicant should have ownership right of the enterprise;➤ Ownership status of enterprise could be proprietary / partnership firm;➤ The applicant should be above 18 years of age and should possess at least VIII standard pass educational qualification;➤ Only one person from one family would be eligible for obtaining financial assistance. The "family" for this purpose would include self, spouse and children;➤ Willingness to formalize and contribute 10% of project cost and obtain Bank loan;➤ Cost of the land should not be included in the Project cost. Cost of the ready built as well as long lease or rental work shed could be included in the project cost. Lease rental of work



	shed to be included in the project cost should be for a maximum period of 3 years only.
Eligibility Criteria for Co-operatives/ FPOs	<ul style="list-style-type: none"> ➤ It should preferably be engaged in processing of ODOP produce; ➤ It should have minimum turnover of Rs.1 crore; ➤ The cost of the project proposed should not be larger than the present turnover; ➤ The members should have sufficient knowledge and experience in dealing with the product for a minimum period of 3 years. ➤ The cooperative/FPO should have sufficient internal resources or sanction from the State Government to meet 10% of the project cost and margin money for working capital;
Eligibility Criteria for Credit Linked Grant for Capital Investment for SHGs	<ul style="list-style-type: none"> ➤ 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; ➤ The SHG members should have for a minimum period of 3 years' experience in processing of the ODOP product.
Components of the scheme	<ul style="list-style-type: none"> ➤ Support to individual and groups of micro enterprises; ➤ Branding and Marketing support; ➤ Support for strengthening of institutions; ➤ Setting up robust project management framework.
Support to Individual Micro Enterprises	Individual micro food processing units would be provided credit-linked capital subsidy @35% of the eligible project cost with a maximum ceiling of Rs.10.00 lakh per unit. Beneficiary contribution should be minimum of 10% of the project cost with balance being loan from Bank.
Group Category	The Scheme would support clusters and groups such as FPOs/SHGs/ producer cooperatives along their entire value chain for sorting, grading, assaying, storage, common processing, packaging, marketing, processing of Agri-produce, and testing laboratories. Grant @35% with credit linkage
Self Help Groups (SHGs)	<ul style="list-style-type: none"> ➤ Seed capital @ Rs40,000/- per member of SHG for working capital and purchase of small tools would be provided ➤ Support to individual SHG member as a single unit of food processing industry with credit linked grant @35% with maximum amount being Rs 10 lakh. ➤ Support for capital investment at federation of SHG level, with credit linked grant @35%.
Support for Common Infrastructure	Support for common infrastructure would be provided to FPOs, SHGs, cooperatives, any Government agency or private enterprises. Credit linked grant would be available @ 35%.
Branding and Marketing Support	Support for branding and marketing would be limited to 50% of the total expenditure. No support would be provided for opening retail outlets under the scheme.

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