

Bank Loan financing guidelines under PMFME Scheme		
S.NO	PARAMETERS	DESCRIPTION
1	Name of the Scheme	Star Micro Food Processing Enterprises Scheme (SMFPE)
2	Scope of the Scheme	Centrally sponsored Scheme of "Financing Facility under PM Formalization of Micro food processing Enterprises (FME) " launched by Ministry of Food processing Industries, Government of India.
3	Target Borrowers	Individual micro food processing units including Proprietary / partnership firms; Group category: Self Help Group (SHG)/ Farmer Producers Organization (FPOs) / Farmer producer cooperatives
4	Purpose	The facilities will be financed under the scheme to the Individual micro food processing enterprise/ SHGs/FPOs/Co-operatives for the following purpose; a. Financial support to individual micro enterprise for up-gradation of units b. Support to individual SHG member as a single unit of food processing industry. c. Support to capital investment to SHGS/FPOs/Co-operatives. d. Support for common infrastructure to SHGS/FPOs/ Cooperatives e. Support for Marketing and Branding to groups of SHGs/FPOs/Co-operatives or SPV of micro food processing enterprises.
5	Facility Type	Term Loan The facilities is to be financed to Food processing activities only
6	Quantum of loan	There is no minimum or maximum credit limits stipulated by MoFPI in their guidelines. However, we propose to give preference for the projects/loans dealing with food processing units (under priority sector)
7	Margin	Minimum 10% by way of promoter contribution. Any government subsidy, seed money etc. will be over and above promoter's margin.
8	Tenure of the loan	Tenor of loan will be decided based on the viability and in accordance with extant bank's guidelines under the relevant scheme. However, the maximum tenure of loan is 10 year including moratorium period.
9	Security	Primary - The facilities should be secured by way of first charge on the assets created out of bank finance. Collateral – As per bank extant guidelines
10	Rate of interest	As per bank extant guidelines
11	Service Charges	As per bank extant guidelines

