

मिनहाज आलम भा.प्र.से.
अपर सचिव
MINHAJ ALAM I.A.S.
Additional Secretary



भारत सरकार
GOVERNMENT OF INDIA
खाद्य प्रसंस्करण उद्योग मंत्रालय
MINISTRY OF FOOD PROCESSING INDUSTRIES
नई दिल्ली-110 049
New Delhi, 110 049
Dated 2.01.2023

DO.No.AS (MA)/01/2023

**The Chairman/Managing Directors cum CEOs,
All Public/Private Sector Banks and RRBs**

Dear Sir/ Madam

Re: PM Formalization of Micro food processing Enterprises (PMFME) Scheme

MoFPI has launched PMFME Scheme in June, 2020 under AatmaNirbhar Bharat Abhiyan for upgrading/setting up 2 lakh micro food enterprises. Against CFY target of 65,000 units, loans are sanctioned to 14,550 beneficiaries with an average loan size of Rs.10 lakh.

While the Scheme is performing relatively better in a few banks, it is not so in others. Modified guidelines dated 18.05.2022, Standard Operating Procedure-vetted by top 5 Banks and instructions for convergence with Agri. Infra Fund (AIF) Scheme were circulated to all the Banks for improved performance. However, there are few inconsistencies in implementation of the scheme, for which we advise as under:

- i) As the PMFME Scheme is converged with Agri. Infra Fund Scheme of Govt. of India, the banks are requested to mobilise the beneficiaries of AIF to avail the benefits of PMFME Scheme and vice versa since inception (July,2020) of the Schemes as per eligibility including stipulation of interest up to 9% pa under AIF.
- ii) Despite exempting the Scheme from Service Area Approach vide our letter No.JS (MA)/Misc./100/2022, dated 22.06.2022, a few banks are still rejecting applications citing this reason. The Banks should percolate down these guidelines.
- iii) The Branches should continuously update E mail addresses and contact details in PMFME/Bank Portal as the scheme is entirely online.
- iv) A few branches are rejecting applications in bulk within 15 days, thereby increasing rejection level. Since these beneficiaries are from unorganised/informal sector, the banks are requested to dispose off these applications as per RBI/Internal Bank guidelines by allowing reasonable time for documents/pre sanction formalities.

It is, therefore, requested to ensure that the Branches are sensitized and made aware of **convergence with AIF, exemption of Service Area Approach**, updating of e mail/contact details in the Bank Portal, and timely disposal of applications so as to improve performance under PMFME Scheme.

Thanking you,

Yours sincerely,

Minhaj
(Minhaj Alam)

CC: The Conveners- SLBCs,
The State Nodal Officers,
All the States-(for coordination Pl.)