

F. No. FM-11/64/2021-FME-Part(2)
भारत सरकार / Government of India
खाद्य प्रसंस्करण उद्योग मंत्रालय
Ministry of Food Processing Industries
पंचशील भवन, अगस्त क्रांति मार्ग
Panchsheel Bhawan, August Kranti Marg
नई दिल्ली / New Delhi-110049

दिनांक: 18.05.2022

OFFICE MEMORANDUM

Subject: Modification in the guidelines of Individual Micro Enterprises and Group category components of Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) Scheme.

The undersigned is directed to refer to the guidelines of Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) issued on 29.06.2020 and to state that keeping in view the suggestions made by various States / UTs during the review meetings and also through representations, it has been decided to make following component-wise modifications in the scheme guidelines:

1 Support to Individual Micro Enterprises

- (i). Support to both existing or new micro food processing enterprises for expansion/ upgradation of existing micro food processing enterprises or setting up of new micro food processing enterprises would be provided under the scheme.
- (ii). While enterprise involved in the product identified in the ODOP of the district will be preferred, other micro enterprises would also be considered for both existing or new micro food processing enterprises. However, list of food processing activities placed at **Annexure-I** are not eligible for assistance under the scheme.
- (iii). Individual micro food processing units would be provided credit-linked capital subsidy @35% of the eligible project cost with a maximum ceiling of Rs.10.0 lakh per unit. Eligible project cost comprises cost of plant & machinery and technical civil work, but excludes cost of land/ rental or lease work shed. However, technical civil work should not be more than 30% of the eligible project cost.
- (iv). Beneficiary contribution should be minimum of 10% of the project cost with balance required fund being loan from Bank.
- (v). Organizations such as Individual entrepreneurs/ Proprietorship Firms/

Partnership Firms/ Farmer Producer Organizations(FPOs)/ NGOs/ Cooperatives/ SHGs/ Pvt. Ltd. Companies, who have established or propose to establish micro food processing unit, would be eligible for financial assistance under the Scheme.

(vi). The individual applicant should be above 18 years of age. No minimum educational qualification of the applicant is required.

(vii). Applicant/enterprise is eligible for bank loan under the Scheme, even if he has availed bank loan in other Subsidy Linked Schemes of Govt. Applicant is also eligible for Interest Subvention and Top Up convergence with other relevant Govt Sponsored Schemes. Lending Banks may consider sanctioning need based working capital limit to the beneficiaries, as admissible. However, no subsidy would be provided on the working capital.

(viii). The applicants/Entrepreneurs of existing units under stress and qualifying for restructuring by the Banks are also eligible for upgradation/expansion of the Unit under the scheme.

2. Support to Group category for setting up of common infrastructure

(i). Organizations such as Farmer Producer Organizations(FPOs)/ Farmer Producer Companies (FPCs) / Cooperatives/ Self Help Groups (SHGs) and its Federation / Govt. Agencies, who have established or propose to establish food processing line alongwith common infrastructure / value chain / incubation centres would be eligible for financial assistance support under this component of the Scheme. Proposal for both ODOP or non-ODOP are eligible for assistance, however ODOP proposals would be preferred.

(ii). Substantial capacity of common infrastructure as well as processing line assisted under the scheme should be available for use by other units and public on hiring basis.

(iii). The applicant organization would be provided credit-linked capital subsidy @35% of the eligible project cost with a maximum ceiling of Rs. 3.00 crore. Eligible project cost comprises cost of plant & machinery and technical civil works, but excludes cost of land/ rental or lease work shed. However, technical civil work should not be more than 30% of the eligible project cost.

(iv). Total eligible project cost should not exceed Rs. 10 Crore. There will be no pre condition of minimum turnover and experience of the applicant organization.

(v). The applicant organization's contribution should be minimum of 10% of the project cost with balance required funds being loan from Bank. Before applying on the portal, the applicant organization is also required to submit in-principle approval from the lending bank for the loan envisaged in the means of finance of the project.

(vi). Assistance of Rs. 50,000/- per case would be provided to the applicant organizations for preparation of Detailed Project Report (DPR) after sanctioning of loan by the bank. Engaging District Resource Person (DRP) for this component of the scheme is not mandatory. The applicant organization may engage any professional / agencies having experience in preparation of DPR.

3. Selection of District Resource Person (DRP)

(i). Any suitable person(s) (like retired Govt./Bank Officials, Insurance agents, Bank mitras, consultancy firms, individual professionals etc.) facilitating / handholding the individual micro food processing enterprises applicants may be recognised as DRP by SNA and would be eligible for incentive in lieu of stipulated service under the scheme. There may be more than one DRP in a district and DRP of any district may mobilize/ handhold applicants from other districts also.

(ii). Due diligence is to be carried out by the DRP for each proposal while uploading the application. The DRPs would scrutinize/recommend applications to the District Nodal Officers (DNO).

(iii). The eligibility criteria for selection of DRP would be decided by SNA.

(iv). The payment of Rs. 20,000/- to the DRPs would be in 2 installments i.e. 50% of the payment would be made after sanction of bank loan and remaining 50% after the completion of the unit and also obtaining FSSAI Certificate, Udyam Certificate and GST registration (wherever required). Second installment of payment to DRP would not be linked with completion of training of beneficiaries.

4. Delegation of financial powers to approve/sanction the projects

State Level Approval Committee (SLAC) is empowered to approve/ sanction/ reject the project proposals received under aforementioned components of the scheme and need not

be referred to MoFPI for approval. SLAC may also consider delegating the powers for approval of the projects under various components to the Nodal Department implementing this scheme by prescribing appropriate limits.

Above modification is in supersession to relevant clauses of scheme guidelines dated 29.06.2020 and subsequent OMs issued thereafter from time to time.

This has the approval of the competent authority.



(Surendra Singh)

Deputy Industrial Adviser

Govt. of India

Tel No: 011-26406538

Email: surindersingh@nic.in

To,

All the States/ UTs/ SNAs All the Banks / Nodal Bank Copy to:

1. PS to Hon'ble Minister, FPI
2. PS to Hon'ble MOS, FPI
3. PSO to Secretary, FPI
4. PS to JS (MA)
5. PS to Director (JK)
6. NPMU team

List of food processing activities not eligible under the scheme:

- i. Trading and selling of unprocessed Millets/Cereals/Spices etc.
- ii. Unprocessed or Loose Milk (Selling of Milk/Curd)
- iii. Trading and selling of fruits and vegetables
- iv. Trading and selling of unprocessed Minor Forest Product
- v. Bee Keeping/Loose selling of Honey
- vi. Loose selling, trading and repacking of oil
- vii. Trading and selling of groundnut, Arecanut (Exception: Any proposal for export variety would be reviewed on case to case basis. State Government to take prior approval from MoFPI for such cases.)
- viii. Poultry, Piggery, Goatry or any other rearing activity of animals
- ix. Trading and selling of fresh Fish/ meat/chicken etc.,
- x. Repacking of manufactures products
- xi. Canteen, grocery, hotel, tiffin services, restaurants or any other food services enterprises

