

S.N.	Parameter	Particulars
1.	<b>Name of Scheme</b>	PMFME scheme
2.	<b>Product Code</b>	TL- 6250-5045
3.	<b>Validity of Scheme</b>	FY 2020-21 to FY 2024-25
4.	<b>Objective</b>	<p>The objectives of scheme are to build capability of microenterprises to enable:</p> <ul style="list-style-type: none"> <li>✓ Increased access to credit by existing micro food processing entrepreneurs, FPOs, Self Help Groups and Co-operatives.</li> <li>✓ Integration with organized supply chain by strengthening branding &amp; marketing.</li> <li>✓ Increased access to common services like common processing facility, laboratories, storage, packaging, marketing and incubation services.</li> <li>✓ Strengthening of institutions, research and training in the food processing sector; and</li> <li>✓ Increased access for the enterprises, to professional and technical support.</li> </ul>
5.	<b>Eligibility</b>	<p><b>I. Individual -</b> Micro Food Processing enterprises.</p> <p>a) Support to both existing or new micro food processing enterprises for expansion/ upgradation of existing microfood processing enterprises or setting up of new micro food processing enterprises would be provided under the scheme.</p> <p>b) 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 <b>Annexure-II</b> are not eligible for assistance under the scheme.</p>

		<p>c) 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. Eligible project cost comprises cost of plant &amp; 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.</p> <p>d) Beneficiary contribution should be minimum of 10% of the project cost with balance required fund being loan from Bank.</p> <p>e) Organizations such as Individual entrepreneurs/ Proprietorship Firms/ Partnership Firms/ Farmer Producer Organizations (FPOs)/ NGOs/ Cooperatives/ SHGs/ Private Limited Companies, who have established or propose to establish micro food processing unit, would be eligible for financial assistance under the Scheme.</p> <p>f) The individual applicant should be above 18 years of age. No minimum educational qualification of the applicant is required.</p> <p>g) 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.</p> <p><b>II. Group category:</b> FPOs / FPCs / SHGs / Producer Cooperatives.</p> <p>a) 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 along with common infrastructure/ value chain/ incubation centers</p>
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		<p>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.</p> <ul style="list-style-type: none"><li>b) 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.</li><li>c) 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 &amp; 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.</li><li>d) Total eligible project cost should not exceed Rs. 10.00 Crores. There will be no precondition of minimum turnover and experience of the applicant organization.</li><li>e) 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.</li><li>f) 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.</li></ul>
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6.	Purpose	Support to individual and groups of micro enterprises.
7.	Loan limit	<ul style="list-style-type: none"> <li>✓ Minimum - Rs. 25,000/-</li> <li>✓ Maximum - Rs. 9.00 Crores</li> </ul> <p><i>(In case the loan amount requested below Rs. 25,000/- approval for deviation shall be obtained from the controller).</i></p>
8.	Margin (%)	✓ 10% of project cost
9.	Pricing/ Interest Rate	As per latest circular on ROI applicable to SME Loans.
10.	Subsidy/ Grant	<ul style="list-style-type: none"> <li>✓ <b>Individual Micro Enterprises:</b> Credit linked Capital Subsidy @35% of the eligible project cost with a maximum ceiling of 10.00 lakh per unit.</li> <li>✓ <b>FPOs/ SHGs/ Cooperatives:</b> Credit linked grant @35% of eligible project cost to FPOs/ SHGs/Cooperatives for upgradation of their operations.</li> <li>✓ <b>Common Infrastructure Development:</b> Credit linked grant @35 % for common infrastructure development by groups, Government agencies or private entities.</li> </ul>
11.	Interest subvention	<p><b>For SHGs:</b> Interest subvention as applicable to SHGs under NRLM (National Rural Livelihood Mission).</p> <p>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.</p>

12.	Convergen cebenefit	<p><b>Convergence benefit under AIF</b></p> <p>In addition to subsidy the beneficiaries under PMFME Scheme seeking credit linked subsidy would be able to avail additional benefit of Interest Subvention @3%. This will be applicable on the interest rate over and above the 35% of subsidy for activities covered under AIF scheme.</p>
13.	Type of Facility	✓ Term Loan
14.	Security (Primary & Collateral)	<p><b>I. Primary Security:</b></p> <p>✓ Hypothecation of assets created out of Bank finance including mortgage of land and building wherever applicable.</p> <p><b>II. Collateral Security:</b></p> <p><b>i. For loans under PM MUDRA Yojana up to Rs. 10 lakhs: -</b></p> <p>Loans to Individuals, sole proprietorship/ partnership firms except Corporate Bodies, Institutions, SHGs, JLGs up to Rs. 10 lakhs under PM MUDRA Yojana: - <b>NIL</b></p> <p><b>ii. For SHGs under DAY-NRLM:</b></p> <p>No Collateral shall be obtained up to Rs. 10.00 lakhs. However, for loan limit above Rs.10 lakhs and up to Rs.20 lakhs, the borrower account must be covered under CGTMSE.</p> <p><b>iii. For FPOs (Including FPCs):</b></p> <p>No Collateral shall be obtained for loan up to Rs. 2.00 Crores. Where the loan is covered under the credit guarantee scheme from NABSAnrakshan. (The guarantee is a maximum of 75% of the loan amount, subject to a maximum guarantee amount ofRs. 1.50 Cr).</p>

		<p><b>iv. Unit registered as MSME unit:</b> No Collateral shall be obtained for Eligible MSME units which are covered under the credit guarantee scheme under CGTMSE for MSMEs. Guarantee fee under CGTMSE shall be paid by the borrower only. As per the extant instructions issued by Bank.</p> <p><b>v. For borrowers under Stand-Up India (SUI) Scheme (More than Rs. 10.00 lakhs up to Rs.1.00 Crore for SC/ ST and women borrowers): Collateral Security:</b> Nil, Credit guarantee from Credit Guarantee Scheme for Stand-Up India (CGSSI) must be obtained. As per the extant instructions issued by the Bank.</p> <p><b>vi. For all other Borrowers (Including SHGs, MSME FPO/ FPC, etc. beyond the ceiling limit /or not covered under the credit guarantee schemes):</b></p> <ul style="list-style-type: none"> <li>✓ Minimum collateral security: 50% of credit exposure.</li> <li>✓ Mortgage of immovable property (SARFAESI compliant) belonging to the unit (promoter/ partner/ director) or their near relatives, near relatives will cover Father, Mother, Spouse, Son, Daughter, real Brother &amp; real Sister.</li> <li>✓ CERSAI verification shall also be made on the collateral securities.</li> </ul>
15.	Moratorium	✓ Maximum 24 months
16.	Repayment Period	✓ Maximum repayment 10 years including moratorium
17.	Scoring Model	<ul style="list-style-type: none"> <li>✓ <b>For Term loan below Rs. 25 lakhs:</b> Applicable Credit scoring model.</li> <li>✓ <b>For Term Loan above Rs. 25.00 Lakh:</b> CRA Based pricing will be applicable.</li> </ul>
18.	Upfront fee	✓ As per extant instructions of the Bank.

19.	Inspection fee	✓ As per extant instructions of the Bank.
20.	Penal interest	✓ As per extant instructions of the Bank.
21.	Pre-payment Penalty	<p><b>a). In case of take-over:</b> - Pre-payment penalty @2% of Outstanding will be applicable in case of take over.</p> <p><b>b). Foreclosure by own fund:</b> - Pre-payment/ Foreclosure penalty: Nil, in case of foreclosure is done by means of own fund by the Borrower.</p>
22.	Insurance Cover	<p>✓ Assets, created out of Bank's finance must be comprehensively insured till the loan is repaid in full.</p> <p>"The Borrower shall always be responsible to ensure that the insurance policy in respect of the hypothecated assets remains valid till all the dues of the Bank are repaid and to keep such insurance policy renewed each year".</p> <p>"The Bank shall not be liable for any consequence arising from non-renewal of insurance in any year even if the Bank has in any previous year renewed the insurance of the hypothecated assets by debiting the borrower's account for failure of the Borrower to renew such insurance policy".</p>
23.	Documentation	Application Form
		KYC Documents
		SME-1 Arrangement Letter
		SME-2 Hypothecation Agreement
		SME-3 Deed of Guarantee
		SME-4 Supplemental Agreement of Loan cum Hypothecation
		SME-5 Memorandum of recording creation of mortgage by deposit of title deeds in case of equitable mortgage
SME-6 Letter of confirmation for creating of mortgage by deposit of title deeds		

		SME-7	Memorandum for recording extension of mortgage by deposit of title deeds
		SME-8	Letter of confirmation for extension of mortgage by deposit of title deeds
			<ul style="list-style-type: none"> <li>✓ Original Title Deeds</li> <li>✓ House/ property tax payment receipts.</li> <li>✓ Title Investigation Report (TIR) as per Bank's extant instructions. However, TIR should be obtained from two different panel advocates in case of loans of Rs. 100 lakhs and above.</li> <li>✓ Valuation of property to be carried out at every 3 years. Market information on real estate prices must be considered while assessing the proposal.</li> <li>✓ Non- Encumbrance Certificate- NEC to be obtained every year.</li> <li>✓ Regulatory/ Statutory clearances wherever applicable.</li> </ul>
24.	Sanctioning Authority		✓ As per the scheme of Delegation of Financial Powers.
25.	IRAC Norms		✓ 90 days norms
26.	Disbursement		<p><b>a) Disbursement in stages:</b> Disbursement towards civil works will be made on production or certified statements of expenditure duly countersigned by the borrower(s) / personal inspection by the Bank Officials.</p> <p><b>b) For plant and machineries:</b> disbursement to be done to the supplier directly based on Performa invoice.</p>

27.	Monitoring Post sanction inspection/ follow-up and early warning signals	<ul style="list-style-type: none"> <li>✓ End use of funds to be ensured immediately upon disbursement of loan, through inspection / verification of purchase bills, etc.</li> <li>✓ Inspection of the unit/ activity is stipulated at monthly intervals during implementation of project/ unit/ activity thereafter half-yearly intervals.</li> <li>✓ Though structured inspection is stipulated at half-yearly intervals, inspection to be done immediately if there is no credit in a calendar month.</li> </ul>
28.	Underwriting	<ul style="list-style-type: none"> <li>✓ <b>Due diligence</b> to be done as per extant instructions of Bank.</li> <li>✓ Verification/ checking of Credit Information reports: Bureau check to be undertaken as per instructions issued.</li> <li>✓ Minimum CIBIL Score/ CIR of 650 to be considered for selection of borrower. The applicant/s with minimum score of 650 in CIBIL / CRIF will only be eligible under</li> <li>✓ the scheme.</li> </ul>
29.	Collections/ Resolutions in case of impairment/exit route.	<ul style="list-style-type: none"> <li>✓ <b>Notice:</b> If the payments are not made on due date, then notice to be served to borrower in the first week of default itself. 2<sup>nd</sup> notice is served to the borrower in the 3<sup>rd</sup> week if required.</li> <li>✓ <b>Personal contact:</b> Borrower should be contacted personally when the loan account becomes irregular.</li> <li>✓ Timely realization of SARFAESI compliant security property for recovery of loan.</li> </ul>
30.	PSL categorization	<ul style="list-style-type: none"> <li>✓ The disbursements under the scheme are eligible to be categorized under PSL up to aggregate sanctioned limit of Rs.100 Crs. per borrower (RBI notification dated 04.09.2020, Chapter -III, Page No. 8, Point No,2 under Agriculture (sub para 8.3 Agri Infrastructure).</li> </ul>

31.	Risk mitigation measures and other conditions	<ul style="list-style-type: none"> <li>✓ Proper KYC/ due diligence of the applicant to be ensured and all extant instructions on due diligence to be followed.</li> <li>✓ Operating units are advised to carry out pre-sanction survey and the pre-sanction survey report to be kept on record.</li> <li>✓ Operating units to mandatorily capture the Udyam registration number for MSME units to avoid the non-availability of Udyam registration certificate details in CBS.</li> <li>✓ For restructuring of loans (if any) Bank's extant instructions shall be followed for this scheme.</li> <li>✓ Operating units are advised to note CERSAI registration details/ CGPAN number in CBS mandatorily, before disbursement of the loan.</li> <li>✓ Operating functionaries to ensure periodical inspection of the unit preferably monthly, during project implementation period to ascertain asset creation and Inspection at half-yearly intervals is stipulated after project implementation period and the inspection report to be kept along with the loan documents.</li> <li>✓ Quotation/ Estimate &amp; Money Receipts/ Tax invoices from seller/ vendor/ supplier to be obtained and their veracity checked to ensure end-use of funds. Further, obtention of opinion report may be explored. The payment should be made directly to supplier only after verifying the genuineness of supplier.</li> <li>✓ The loan appraisal shall be conducted as per Bank's extant instructions issued vide loan appraisal formats, for the scheme.</li> <li>✓ The guarantee cover under the scheme is subject to the guidelines issued in the respective guarantee cover circulars. Therefore, branches are instructed to follow the instructions as per the respective guarantee scheme guidelines.</li> <li>✓ Margin money should be credited to the account before disbursing the loan. If receipts are submitted as proof of margin, specific approval must be obtained in the sanction after establishing that the source of funds are evident.</li> <li>✓ Loan must be disbursed only after CERSAI registration</li> </ul>
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**List of food processing activities not eligible under the scheme:**

- a). Trading and selling of unprocessed Millets/ Cereals/ spices, etc.
- b). Unprocessed or Loose Milk (Selling of Milk/ Curd).
- c). Trading and selling of fruits and vegetables.
- d). Trading and selling of unprocessed Minor Forest Product.
- e). Bee Keeping/ Loose selling of Honey.
- f). Loose selling, trading, and repacking of oil.
- g). 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).
- h). Poultry, Piggery, Goatry or any other rearing activity of animals.
- i). Trading and selling of fresh fish/ meat/ chicken, etc.
- j). Repacking of manufactures products.
- k). Canteen, grocery, hotel, tiffin services, restaurants, or any other food services enterprises.

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