



PM Micro Food Processing Enterprises Scheme (PM FME)

(Updated till 04.06.2022)

1. Purpose:

- Support to individual Micro Enterprises for 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.
- Support to group category for setting up of common infrastructure.

2. Eligibility:

• Under Individual category:

- a. 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.
- 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 **Annexure-I** are not eligible for assistance under the scheme.
- 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 & 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.
- d. Organizations such as Individual entrepreneurs/ proprietorship Firms/ Partnership Firm/ Farmer Producer Organization(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.
- e. The individual applicant should be above 18 years of age. No minimum educational qualification of the applicant is required.
- f. 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.
- 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.

- **Under Group category;**
 - **For common infrastructure:**
 - a. Organizations such as Farmer Producer Organizations(FPOs)/Farmer Producer Companies (FPCs)/Cooperatives/SHGs and its Federation/Govt. Agencies, who have established or propose to establish food processing line along with common infrastructure/Value chain /incubation centers 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.
 - 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.
 - c. The applicant organization would be provided credit-linked capital subsidy @35% of the eligible project cost with a maximum ceiling of Rs.3 crores. 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.
 - d. Total eligible project cost should not exceed Rs. 10 crores. There will be no pre-condition of minimum turnover and experience of the applicant organization.
 - 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.
- 3. **Margin:** 10% of project cost.
- 4. **Quantum:** 90% of project cost.
- 5. **Guarantee Cover:** CGTMSE guarantee coverage is available for credit facility not exceeding Rs.2 Cr.
- 6. **Security:**
 - **Up to Rs.2 Crores:** Hypothecation of assets created out of Bank finance & wherever immovable assets are created the same has to be mortgaged along with CGTMSE.
 - **Above Rs.2 Crores:**
 - a) Hypothecation of Assets created out of our finance & wherever immovable assets are created the same has to be mortgaged.
 - b) Mortgage of landed property with Post development security value of minimum 125% of the loan amount.

Annexure I

List of food processing activities not eligible under the scheme:

1. Trading and selling of unprocessed Millets/Cereals/Spices etc.
2. Unprocessed or Loose Milk (Selling of Milk/Curd).
3. Trading and selling of fruits & vegetables.
4. Trading and selling of unprocessed Minor Forest Product.
5. Bee Keeping/Loose selling of Honey.
6. Loose selling, trading and repacking of oil.
7. 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.)
8. Poultry, piggery, Goatry or any other rearing activity of animals.
9. Trading and selling of fresh Fish/meat/chicken etc.
10. Repacking of manufactures products.
11. Canteen, grocery, hotel, tiffin services, restaurants or any other food service enterprises.