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Government Of India



# Standard Operating Procedure for convergence of AIF of DA&FW with PMFME and PMKSY of MoFPI

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## Standard Operating Procedure for convergence of AIF of DA&FW with PMFME and PMKSY of MoFPI

### 1. About Agriculture Infrastructure Fund.

Agriculture infrastructure fund scheme is a financing facility started on 08 July 2020. It is a medium to long term debt financing facility for creation of post-harvest management infrastructure and building community farming assets. Benefits under the scheme include 3% interest subvention and credit guarantee support. Under the scheme, fund of **Rs. 1 Lakh crore** will be available from FY 2020-21 to 2025-26 and the support of interest subvention and credit guarantee will be provided upto FY 2032-33.

#### 1.1 Eligible beneficiaries under the scheme.

Eligible beneficiaries include Farmers, Agri-entrepreneurs, Start-ups, Primary Agricultural Credit Societies (PACS), Marketing Cooperative Societies, Farmer Producers Organizations (FPOs), Self Help Group (SHG), Joint Liability Groups (JLG), Multipurpose Cooperative Societies, Central/State agency or Local Body sponsored Public Private Partnership Projects, State Agencies, Agricultural Produce Market Committees (Mandis), National & State Federations of Cooperatives, Federations of FPOs (Farmer Produce Organizations) and Federations of Self Help Groups (SHGs).

#### 1.2 Eligible projects

The scheme will facilitate setting up and modernization of key elements of the value chain including

##### (a) Post Harvest Management Projects like:

- (i) Supply chain services including e-marketing platforms
- (ii) Warehouses
- (iii) Silos
- (iv) Pack houses
- (v) Assaying units
- (vi) Sorting & grading units
- (vii) Cold chains
- (viii) Logistics facilities
- (ix) Primary processing centers
- (x) Ripening Chambers

**(b) Viable projects for building community farming assets including:**

- (i) Organic inputs production
- (ii) Bio stimulant production units
- (iii) Infrastructure for smart and precision agriculture.

**(I) For individual beneficiaries as well as Farmers 'Communities such as FPOs, PACS, SHGs, JLGs, Cooperatives, National and State Level Federation of Co-operatives, FPOs federations, Federations of SHGs, National and State Level Agencies etc.**

- a. Farm/Harvest Automation
- b. Purchase of drones, putting up specialized sensors on field, Blockchain and AI in agriculture etc.
- c. Remote sensing and Internet of Things (IOT) such as automatic weather station, Farm advisory services through GIS applications

**(II) Only for FPOs, PACS, SHGs, JLGs, Cooperatives, National and State Level Federation of Co-operatives, FPOs federations, Federations of SHGs, National and State Level Agencies etc as they qualify as community farming assets.**

- a. Hydroponic Farming – Hydroponics is a type of horticulture and a subset of hydro culture which involves growing plants without soil, by using mineral nutrient solutions in an aqueous solvent.
- b. Mushroom farming – Mushroom Spawn, preparing of compost, Spawning of mulch, Casing, mushroom production, harvest and supply chain infrastructure
- c. Vertical farming – It is the practice of growing crops in vertically stacked layers. It often incorporates controlled-environment

agriculture, which aims to optimize plant growth, and soil-less farming techniques

d. Aeroponics farming- It is the process of growing plants in an air or mist environment without the use of soil or an aggregate medium.

e. Poly house/ Greenhouse – It is a technique where specialized polythene sheet is used as a covering material under which the crops can be grown in partially or fully controlled climatic conditions.

(iv) Projects identified for providing supply chain infrastructure for clusters of crops including export clusters.

(v) Projects promoted by Central/State/Local Governments or their agencies under PPP for building community farming assets or post-harvest management projects.

Note: (a) Digital Connectivity and optic fiber infrastructure shall be eligible investment as part of development of the aforementioned eligible projects.

### 1.3 Benefits under the Scheme

Support under the scheme is provided to the eligible beneficiaries for setting up eligible infrastructure in form of interest subvention and credit guarantee fee.

|  | <b>Component</b>    | <b>Norms</b>  |
|--|---------------------|---|
|  | Interest Subvention | All loan under this financing facility have Interest subvention of 3% per annum up to a limit of ₹ 2 crore. This subvention is available for a maximum period of 7 years (Including moratorium period upto 2 years). In case of loans beyond ₹ 2 crore, interest subvention is limited up to ₹ 2 crore. The Interest Subvention process is back |

|  | <b>Component</b>     | <b>Norms</b>   |
|--|----------------------|--|
|  |                      | ended. The bank charges complete interest from beneficiary claims the subvention amount from MoA and the subvention amount is then transferred to the beneficiary account.   |
|  | Credit Guarantee fee | Credit guarantee coverage is available for eligible borrowers under Credit Guarantee Fund Trust for Micro and Small Enterprises(CGTMSE)scheme for a loan up to ₹ 2 crore. The fee for this coverage will be paid by the Government for a maximum period of 7 years. In case of FPOs the credit guarantee may be availed from the facility created under FPO promotion scheme of DA&FW. |

#### **1.4 Other Key points**

- All scheduled commercial banks scheduled cooperative banks, Regional Rural Banks (RRBs), Small Finance Banks, Non-Banking Financial Companies (NBFCs) and National Cooperative Development Corporation (NCDC) may participate to provide this financing facility, after signing of Memorandum of Understanding (MoU) with National Bank for Agriculture & Rural Development (NABARD)/DA&FW.
- Lending rate of participating lending institutions is Yearly MCLR + 100 basis points with an upper limit of 9% ROI.
- Minimum 10% of the project cost is mandatory as promoter's contribution (excluding capital subsidy, if any).

- In case, one eligible entity puts up projects in different locations then all such projects will be eligible under the scheme for loan upto ₹ 2 crore. However, for a private sector entity, such as farmer, agri-entrepreneur, start-up there will be a limit of maximum of 25 such projects. This limitation of 25 projects will not be applicable to state agencies, national and state federations of cooperatives, federations of FPOs and federation of SHGs. Location will mean physical boundary of a village or town having a distinct LGD (Local Government Directory) code. Each of such project should be in a location having a separate LGD (Local Government Directory) Code. For APMCS, multiple projects of different infrastructure types can be sanctioned in its designated market area. In such cases, interest subvention for a loan upto ₹ 2 Crore will be provided for each project of different infrastructure types.
- Any grant or subsidy available under any present or future scheme of Central/State government can be availed for projects under this financing facility.

## 2. About PM Formalisation of Micro food processing Enterprises Scheme

MoFPI is implementing a centrally sponsored "PM Formalisation of Micro food processing Enterprises (PMFME) Scheme" for providing financial, technical and business support for upgradation of micro food processing enterprises in the country. The scheme is operational for a period of five years from 2020-21 to 2024-25 with an outlay of Rs 10,000 Crore. Support to upgrade existing units or setting up of new micro units for individuals, SHGs/ FPOs/ Cooperatives is provided through a credit linked grant @ 35%, Seed Capital to SHGs, Incubation Centre, Common Infrastructure, Marketing & Branding and Capacity Building. Two lakh micro food processing units will be directly assisted with credit linked subsidy, capacity building and marketing and branding support.

### The scheme aims to:

- i) Enhance the competitiveness of existing individual micro-enterprises in the unorganized segment of the food processing industry and promote formalization of the sector; and
- ii) Support Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Producers Cooperatives along their entire value chain.

The Scheme adopts One District One Product (ODOP) approach to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. ODOP for the scheme will provide the framework for value chain development and alignment of support infrastructure.

### Provisions under the scheme:

| S.No. | Scheme Components                                  | Provisions under the Scheme   |
|-------|--|---|
| 1.    | <b>Support for upgradation or establishment of</b> | <ul style="list-style-type: none"><li>• Credit-linked capital subsidy @35% of the eligible project cost, maximum ceiling Rs.10 lakhs per unit</li></ul> |



|    |   |   |
|----|---|---|
|    | <p><b>Micro Food Enterprises</b></p>                                    | <ul style="list-style-type: none"> <li>• Eligible organizations- Individual entrepreneur/Proprietorship Firm/Partnership Firm/FPOs/NGOs/Cooperatives/SHGs/Pvt. Ltd. Companies</li> <li>• Applicants/Entrepreneurs of existing units under stress and qualifying for restructuring by the banks are also eligible for upgradation/expansion of the unit.</li> <li>• Beneficiary contribution - minimum of 10% of the project cost, balance loan from Bank.</li> </ul>  |
| 2. | <p><b>Support to Groups for setting up of common infrastructure</b></p> | <ul style="list-style-type: none"> <li>• Credit linked Grant @35% of the eligible project cost with a maximum ceiling of Rs. 3 Cr provided to groups such as <b>FPOs/ SHGs/Cooperatives and its Federations/Government Agencies</b> to establish food processing line along with common infrastructure/value chain/incubation centers.</li> <li>• No minimum Turnover and experience</li> <li>• Substantial capacity of common infrastructure as well as processing line assisted under the scheme to be available for use by other units and public on hiring basis.</li> <li>• Eligible project cost comprises of cost of plant &amp; machinery and technical civil works, but excludes cost of land/ rental and lease work shed.</li> <li>• Technical civil work not more than 30% of</li> </ul> |

|    |                                       |  |
|----|---------------------------------------|--|
|    |                                       | the eligible project cost  |
| 3. | <b>Seed Capital for SHGs</b>          | <ul style="list-style-type: none"> <li>Seed capital @ Rs. 40,000/- per member of SHG for working capital and purchase of small tools</li> <li>Seed capital to be given as grant to the SHG Federation by SRLM/SULM through SNA for loan to the members of SHGs.</li> </ul>   |
| 4. | <b>Branding and Marketing Support</b> | <p>Grant up to 50% for Branding and Marketing support to groups of FPOs/ SHGs/ Cooperatives or an SPV of micro food processing enterprises.</p> <p>Eligible activities- Product standardization, packaging material, advertisement, listing of product in online and offline retail platforms, logistic support, certifications is supported.</p> <p>It is to be provided for ODOP product at the State or regional level.</p> |
| 5. | <b>Capacity Building</b>              | <p>The PMFME Scheme under Capacity Building component envisages to provide training for Entrepreneurship Development Skilling (EDP+) with product training.</p> <p>All the beneficiaries benefitted under PMFME would be trained.</p>  |

### **INDIVIDUAL APPLICATION APPROVAL PROCESS:**

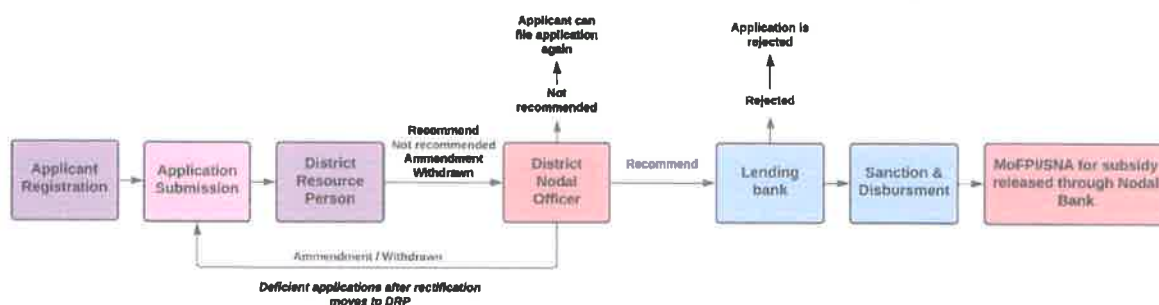
**Application approval process for an individual unit** (Individual Entrepreneurs/ Proprietorship Firms/ Partnership Firms/ Farmer Producer Organizations (FPOs)/ NGOs/ Cooperatives/ SHGs/ Pvt. Ltd. Companies).

- Applicant registers in the PMFME MIS <https://pmfme.mofpi.gov.in/pmfme/#/Login> own their own or facilitate registration through District Resource Persons(DRP) positioned at district level.

- b. After registration DRP would provide handhold support for filing of application.
- c. For individual application, information is to be filled up in the application form with the below mentioned details:
- Applicant Details with basic information of address and other details
  - Existing Enterprise (if it is an existing enterprise)- historical financial details of last two financial year to be provided.
  - Proposed Business Details- Produce, processing details etc.
  - Financial Details- Preliminary and preoperative cost, sales details, raw material details, wages, working capital estimates and other miscellaneous expenditures etc.
  - Lending Bank- selection of lending bank
  - Upload Documents
  - Declaration and Submit
- d. While filing the application for the individual unit following components should be ensured-
- Details Project Report with positive profit -
  - Details of ownership/leasehold rights of land/plot on which the unit operationalization is to be initiated (Lease /rent agreement should be for more than loan repayment period)
  - Quotations of plant and machinery, construction estimates (If loan is also sought for construction)
- e. After successful submission of application, it is forwarded to DRP portal for first level of scrutiny and if approved by DRP it is forwarded to DNO/DLC portal for approval.
- f. After 2<sup>nd</sup> level of scrutiny DLC approves the application and forwards it to lending bank for loan sanction.
- g. Rejection of application at any level application is reverted to the User/Applicant login with remarks. Applicant may reapply after rectification.

- h. Any correction or requirement during scrutiny, applicant may produce relevant documents or correction in the application with handhold support of DRP.
- i. After loan sanction and disbursement, an automatic claim for subsidy or grant would be raised. MoFPI and State/ UT would released its share of grant via the Nodal bank in the transient account of the lending bank.
- j. The banker need to place this amount in the mirror account of beneficiary and the banker would not charge any interest in the loan amount equivalent to subsidy.

**Micro Food processing units Application approval flow chart**

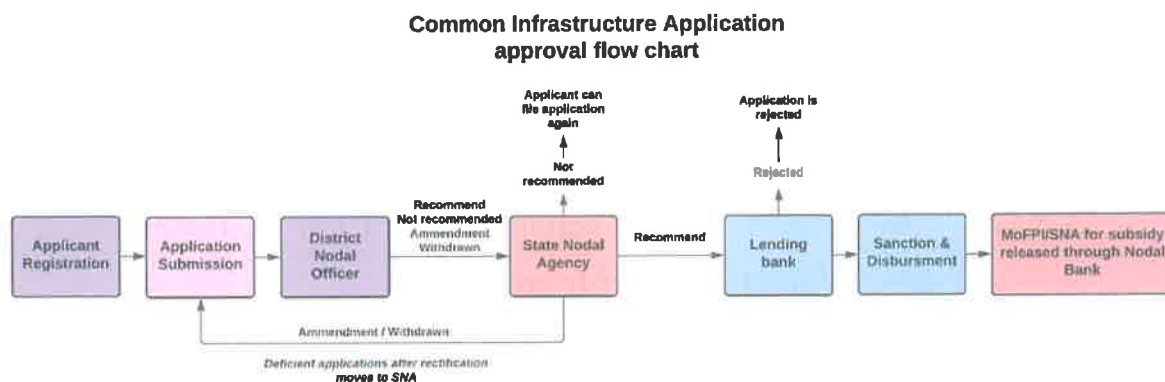


## **APPROVAL PROCESS FOR SETTING UP OF COMMON INFRASTRUCTURE:**

**Application approval process for Common Infrastructure** (Farmer Producer Organizations (FPOs)/ Farmer Producer Companies (FPCs)/ Cooperatives/ Self Help Groups (SHGs) and its federation/ Govt. Agencies).

- a. Applicant registers in the PMFME MIS <https://pmfme.mofpi.gov.in/pmfme/#/Login> own their own or facilitate registration through DRP.
- b. After registration DRP would provide handhold support for filing of application.

- c. A basic application form is to be filled out and Detailed Project Report is to be uploaded in the system. The DPR has to be prepared separately and uploaded.
- d. After successful submission of application, it is forwarded to DRP portal for first level of scrutiny and if approved by DRP it is forwarded to SNA portal for approval.
- e. After 2<sup>nd</sup> level of scrutiny SNA approves the application and forwards it to lending bank for loan sanction.
- f. Rejection of application at any level application is reverted to the User/Applicant login with remarks. Applicant may reapply after rectification.
- g. Any correction or requirement during scrutiny, applicant may produce relevant documents or correction in the application with handhold support of DRP.



***Details of points of convergence between several scheme of MoFPI and Agri Infra Fund are presented in Annexure.***

### **3. Proposed Technological changes for Integration of AIF with PMFME and PMKSY schemes of MoFPI**

- 3.1 The link of MoFPI portal to be provided on AIF portal so that eligible AIF beneficiaries can also avail benefit under MoFPI schemes. (completed)
- 3.2 The link of AIF portal to be provided on MoFPI portal so that eligible MoFPI (PMFME and PMKSY) beneficiaries can also avail benefit under AIF schemes. (completed)
- 3.3 Convergence of schemes of PMFME and PMKSY to be added in Loan Application screen under dropdown 'Benefit under Other Schemes'. (completed)
- 3.4 A new feature in AIF "Apply of Interest Subvention and CG for already approved loan application under PMFME and PMKSY" will be developed in consultation with MoFPI wherein the approved applications under PMFME and PMKSY of MoFPI can apply to seek the benefits under AIF.
- 3.5 This link/entry point to this feature will be available from both AIF and MoFPI portal.
- 3.6 This will be a two phase exercise:
  - 3.6.1 In phase I, MoFPI beneficiary will key in their details and will upload the Sanction letter from MoFPI
  - 3.6.2 In Phase-II, the details and sanction letter will be automatically fetched in AIF portal from MoFPI through API to facilitate faster processing of MoFPI applications in AIF. MoFPI beneficiary will then update the rest of the information on AIF portal.
- 3.7 MoFPI Beneficiaries will be provided credentials to login to AIF portal to apply/update/view status on application.
- 3.8 MoFPI Beneficiaries will login in their MoFPI portal and will opt to Apply for IS and CG under AIF. This will redirect the beneficiary to AIF to feed in details to apply. Automatically fetching of the details in AIF will be available in Phase-II

- 3.9 MoFPI beneficiaries have to specify the loan amount under AIF Activities only in the AIF portal. They will also be required to upload the DPR under AIF along with the DPR and sanction letter of MoFPI (for PMKSY) and sanction letter of Bank (for PMFME). Features to collect this extra information will be provided in AIF portal.
- 3.10 Beneficiary will be able to Save the Application as draft or submit the application with complete details.
- 3.11 Once submitted, the Application will be available in Central PMU login for verification and/or to mark Pending Information.
- 3.12 Once Verified by PMU, the Application will be available to the Bank to take further action.
- 3.13 Banking functions and Claim process for Interest Subvention and CG under AIF will remain as per the existing functionality in AIF
- 3.14 MoFPI will incorporate suitable changes in their portal for AIF beneficiaries to apply for availing benefits under MoFPI schemes PMKSY and PMFME.
- 3.15 Under PMFME MIS, the provision to list plant and machineries based on its functionality of primary and secondary processing would be added in the section of List of Machineries tab in case of Credit linked subsidy to Individual Unit Category.
- 3.16 In the category of Common Infrastructure, the existing DPR structure could be revised for seeking details of machineries according to the functionality of primary and secondary processing or the applicants may upload the DPR in the DPR template proposed under AIF along with segregation of primary and secondary processing machineries and issued for immediate applicability in application procedure.
- 3.17 Post sanction, the application details with sanction letter of bank could be fetched to AIF MIS for further consideration of Interest Subvention.
- 3.18. For the projects that have already been sanctioned under PMFME, the applicants may directly apply for interest subvention under AIF for primary processing activities with Sanction letter by Bank, DPR format of PMFME and document giving details regarding Bifurcation

of Project Cost under term loan with segregation of Civil Work, Plant & machinery for Primary and Secondary processing activities in the AIF portal.



**Annexure: Points of Convergence between the Schemes of MoFPI and Agri Infra Fund**

**1. PM Kisan SAMPAD A Yojana**

| Component               | Eligible beneficiaries   |                                      | Eligible Activities  |   | Assistance  |   |
|-------------------------|--|--------------------------------------|--|---|---|---|
|                         | PMKSY  | AIF                                  | PMKSY  | AIF   | PMKSY   | AIF   |
| Agro-processing cluster | Project Execution Agency (PEA)/ Organisation such as Govt./ PSUs/ Joint Ventures/ NGOs/ Cooperatives/ SHGs/ FPOs/ Private Sector/ individuals etc. | All PMKSY beneficiaries except Govt. | <p><b>Core Infrastructure / Common Facilities:</b> warehouses, cold storages, IQF, tetra Packs, Sorting, grading etc.</p> <p><b>Enabling infrastructure:</b> site development, roads, boundary wall, drainage, water</p> | <p><b>Core Infrastructure / Common Facilities:</b> warehouses, cold storages, IQF, Sorting, grading etc.</p> <p><b>Enabling infrastructure:</b> site development, roads, boundary wall, drainage,</p> | <p>credit linked grant in aid @35% of eligible project cost in general areas and @ 50 % in NER and himalyan regions</p> | <p>3% interest subvention on Term loan component of Rs. 2cr; Credit guarantee fee support for each processing units as well as core</p> |

| Component       | Eligible beneficiaries  |                    | Eligible Activities  |  | Assistance   |  |
|-----------------|---|--------------------|--|--|--|--|
|                 | PMKSY   | AIF                | PMKSY  | AIF  | PMKSY  | AIF  |
|                 |   |                    | supply etc.<br><b>Processing units</b>   | water supply etc.<br><b>Processing units</b> (upto primary Processing)   |  | infrastructure   |
| Mega Food Parks | Special purpose vehicle (body corporate registered under Companies Act. | Agri-entrepreneurs | <b>Collection centres, primary processing centres</b> (pulping, pre cooling, Grading, Sorting, waxing, packaging, temporary storage)<br><b>Central</b> | <b>(ONLY FOR AGRICULTURE PRODUCE, NOT FOR MEAT, FISH AND DAIRY) Collection centres, primary processing centres</b> cooling, Grading, waxing, packaging, temporary storage)<br><b>Central</b> | Capital grant @50% of eligible project cost in general areas and @75% in NER and himalayan region. | 3% interest subvention on Term loan component of Rs. 2cr; Credit guarantee fee support |

| Component | Eligible beneficiaries |     | Eligible Activities  |   | Assistance |     |
|-----------|------------------------|-----|--|---|------------|-----|
|           | PMKSY                  | AIF | PMKSY  | AIF   | PMKSY      | AIF |
|           |                        |     | <p>processing centres (CA storage, pulping, cold store, QC lab, aseptic packing, logistic centre),</p> <p><b>cold chain food processing units.</b></p> | <p>ng, Sorting, waxing packaging, temporary storage)</p> <p><b>Central processing centres</b>(CA storage, cold store, aseptic packing, logistic centre),</p> <p><b>cold chain food processing units</b> (only upto primary processing).</p> |            |     |

| Component   | Eligible beneficiaries  |                         | Eligible Activities  |   | Assistance   |  |
|-------------|---|-------------------------|--|---|--|--|
|             | PMKSY   | AIF                     | PMKSY  | AIF   | PMKSY  | AIF  |
| Cold Chains | Partnership / Proprietorship Firms, Companies, Corporations, Cooperatives, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs), NGOs, Central / State PSUs, etc | All PMKSY beneficiaries | Minimal Processing Centre at the farm level and centres to have facility for weighing, sorting,grading waxing, packing,pre-cooling, Control Atmosphere (CA)/ Modified Atmosphere (MA) cold storage,normal storage and Individual | (ONLY FOR AGRICULTURE PRODUCE, NOT FOR MEAT, FISH AND DAIRY) Minimal Processing Centre at the farm level and centres to have facility for weighing, sorting,grading waxing, packing,pre-cooling, Control Atmosphere (CA)/ Modified Atmosphere (MA) cold storage,normal storage,pre-cooling, | storage infrastructure including Pack House and Pre cooling unit, ripening chamber and transport infrastructure, grant-in-aid @ 35% for General Areas and @ 50% for NER, Himalayan States of the | 3% interest subvention on Term loan component of Rs. 2cr; Credit guarantee fee support |
|             |   |                         |  |   |  |  |

| Component | Eligible beneficiaries |     | Eligible Activities   |   | Assistance   |     |
|-----------|------------------------|-----|---|---|--|-----|
|           | PMKSY                  | AIF | PMKSY   | AIF   | PMKSY  | AIF |
|           |                        |     | <p>Quick Freezing(IQF).<br/> <b>Mobile pre-cooling vans and reefer trucks.</b><br/> <b>Distribution hubs</b> with multi products and multi Control Atmosphere (CA)/ Modified Atmosphere(MA) chambers/ cold storage/ Variable Humidity Chambers,</p> | <p>Control Atmosphere (CA)/ Modified Atmosphere (MA) cold storage,normal storage and Individual Quick Freezing(IQF) .<br/> <b>Mobile pre-cooling vans and reefer trucks.</b><br/> <b>Distribution hubs</b> with</p> | <p>total cost of plant &amp; machinery and technical civil works will be provided.<br/> <b>value addition and processing infrastructure</b> including frozen storage/ deep freezers associated</p> |     |

| Component | Eligible beneficiaries |     | Eligible Activities   |   | Assistance  |     |
|-----------|------------------------|-----|---|---|---|-----|
|           | PMKSY                  | AIF | PMKSY   | AIF   | PMKSY   | AIF |
|           |                        |     | Packing facility, Cleanin<br>g in Process (CIP) Fog<br>treatment, Individual<br>Quick Freezing (IQF) and blast<br>freezing.<br><b>Irradiation Facility.</b> | multi products and<br>multi Control Atmosphere<br>(CA)/ Modified Atmosphere(<br>MA) chambers/<br>cold storage/<br>Variable Humidity<br>Chambers,<br>Packing facility, Cleani<br>ng in Process (CIP) Fog<br>treatment,<br>Individual | and integral to the<br>processing, grant-in-aid<br>@ 50% for General<br>Areas and @ 75% for<br>NER, Himalayan<br>States<br><b>irradiation facilities</b><br>grant-in-aid will be<br>provided @ 50% for<br>General Areas and @ |     |

| Component  | Eligible beneficiaries  |                         | Eligible Activities                    |   | Assistance  |   |
|--|---|-------------------------|--|---|---|---|
|  | PMKSY   | AIF                     | PMKSY                                  | AIF   | PMKSY   | AIF   |
|  |   |                         |  | Quick Freezing (IQF) and blast freezing. <b>Irradiation Facility.</b> | 75% for NER, Himalayan States   |   |
| Creation/Expansion of food processing/preservation | Central & State PSUs/ Joint Ventures/ Farmer Producers Organization (FPOs)/ NGOs/ | All PMKSY beneficiaries | Food processing and preservation units | <b>(ONLY FOR AGRICULTURE PRODUCE, NOT FOR MEAT, FISH AND DAIRY)</b>   | The Scheme envisages grants-in-aid @35% of eligible project cost in general | 3% interest subvention on Term loan component of Rs. 2cr; |

| Component | Eligible beneficiaries   |     | Eligible Activities |                                  | Assistance   |                                       |
|-----------|--|-----|---------------------|----------------------------------|--|---------------------------------------|
|           | PMKSY  | AIF | PMKSY               | AIF                              | PMKSY  | AIF                                   |
|           | Cooperatives/<br>SHG's/ Pvt. Ltd<br>companies/<br>individuals<br>proprietorship<br>firms |     |                     | Primary<br>processing<br>centres | areas and<br>@50% of<br>eligible<br>project cost<br>in the North<br>East States<br>including<br>Sikkim and<br>difficult<br>areas<br>namely<br>Himalayan<br>States<br>subject to<br>max. of Rs.<br>5.00 crore<br>per project. | Credit<br>guarantee<br>fee<br>support |



| Component                                 | Eligible beneficiaries   |   | Eligible Activities  |  | Assistance  |  |
|---|--|---|--|--|---|--|
|   | PMKSY  | AIF   | PMKSY  | AIF  | PMKSY   | AIF  |
| Creation of backward and forward linkages | Central/ State Government and their organizations/ Government universities (including deemed universities) and all other implementing agencies/private sector organizations/universities (including deemed universities) | All PMKSY beneficiaries except universities (including deemed universities) | <p><b>Backward linkage:</b><br/>Integrated pack house, Milk chilling centres, pre cooling units, Reefer boats, minimal processing machinery, packaging machinery.</p> <p><b>Forward Linkage:</b><br/>frozen storage/ deep freezers/ refrigerated display</p> | <p><b>(ONLY FOR AGRICULTURE PRODUCE, NOT FOR MEAT, FISH AND DAIRY)</b></p> <p><b>Backward linkage:</b><br/>Integrated pack house, pre cooling units, Reefer boats, minimal processing machinery, packaging machinery.</p> <p><b>Forward Linkage:</b><br/>frozen storage/ deep freezers/ refrigerated display</p> | Grant @35% of the eligible project cost for general areas and 50% for NER and himalyan states subject to limit of Rs. 5 Crores. | 3% interest subvention on Term loan component of Rs. 2cr; Credit guarantee fee support |

| Component | Eligible beneficiaries |     | Eligible Activities  |  | Assistance |     |
|-----------|------------------------|-----|--|--|------------|-----|
|           | PMKSY                  | AIF | PMKSY  | AIF  | PMKSY      | AIF |
|           |                        |     | <p>cabinets/cold room/ chillers/ packing/ packaging, cold room/ cold storage/ ripening chamber.</p> <p>Refrigerated/ Insulated transport / Reefer Vans in conjunction with backward and forward linkages</p> | <p><b>Forward Linkage:</b><br/>frozen storage/ deep freezers/ refrigerated display cabinets/cold room/ chillers/ packing/ packaging, cold room/ cold storage/ ripening chamber.</p> <p>Refrigerated/ Insulated</p> |            |     |

| Component  | Eligible beneficiaries  |              | Eligible Activities  |   | Assistance   |              |
|--|---|--------------|--|---|--|--------------|
|  | PMKSY   | AIF          | PMKSY  | AIF   | PMKSY  | AIF          |
|  |   |              |  | transport / Reefer Vans in conjunction with backward and forward linkages |  |              |
| Food safety and Quality Assurance infrastructure | Central/ State Government and their organizations/ Government universities (including deemed universities) and all other implementing | Not eligible | Setting Up/Up-gradation of Quality Control/Food Testing Laboratories | Not eligible  | <b>Government entities</b> grant in aid @100% of project cost for approved equipments and 2% of cost of approved equipment | Not eligible |

| Component | Eligible beneficiaries   |     | Eligible Activities |     | Assistance   |     |
|-----------|--|-----|---------------------|-----|--|-----|
|           | PMKSY  | AIF | PMKSY               | AIF | PMKSY  | AIF |
|           | agencies/private sector organizations/universities (including deemed universities) |     |                     |     | or 15 lakhs whichever is lower for civil works. For lab set up by ministry or sponsored by ministry no limit on financial assistance |     |
|           |  |     |                     |     | <b>Private organisations</b> grant in aid @50%(general areas) and 70%  |     |

| Component | Eligible beneficiaries |     | Eligible Activities |     | Assistance   |     |
|-----------|------------------------|-----|---------------------|-----|--|-----|
|           | PMKSY                  | AIF | PMKSY               | AIF | PMKSY  | AIF |
|           |                        |     |                     |     | (difficult areas) of project cost for approved equipments and 2% of cost of approved equipment or 15 lakhs whichever is lower for civil works. In case of lab set up by ministry or sponsored by ministry, |     |

| Component        | Eligible beneficiaries  |   | Eligible Activities  |  | Assistance   |   |
|------------------|---|---|--|--|--|---|
|                  | PMKSY   | AIF   | PMKSY  | AIF  | PMKSY  | AIF   |
|                  |   |   |  |  | there is no limit on assistance.   |   |
| Operation Greens | State Agriculture Federations, State Marketing Federations, FPOs, SHGs, Companies, Food Processors, logistics operator, service providers, Supply chain operators, retail chains, | State Agriculture Federations, State Marketing Federations, FPOs, SHGs, Companies, Food Processors, logistics operator, service | <b>I. Integrated Value Chain Development Projects</b><br>A. Formation of new FPOs in the cluster and/ or training/ workshop of existing farmers/ FPOs<br>B. Post-harvest | <b>I. Integrated Value Chain Development Projects</b><br>B. Post-harvest processing facilities<br>C. Agri-Logistics<br>D. Marketing Infrastructure | i. Integrated Value Chain Development Projects: Maximum aid would be ₹15 crore per project.<br>ii. Standalone Post-Harvest | 3% interest subvention on Term loan component of Rs. 2cr;<br>Credit guarantee fee support |

| Component | Eligible beneficiaries   |  | Eligible Activities   |  | Assistance   |     |
|-----------|--|--|---|--|--|-----|
|           | PMKSY  | AIF  | PMKSY   | AIF  | PMKSY  | AIF |
|           | wholesale chains, Central and state government (including entities/agencies under the central and state governments) | providers, Supply chain operators, retail chains, wholesale chains, State and Centre Govt. agencies. | processing facilities<br>C. Agri-Logistics<br>D. Marketing Infrastructure<br><b>II. Standalone Post-Harvest Infrastructure Projects</b><br>A. Primary post-harvest processing infrastructure facilities at farm level in the identified cluster<br>B. Post-harvest processing infrastructure facilities at farm level in the identified cluster<br>B. Post-harvest processing infrastructure facilities at farm level in the identified cluster | <b>II. Standalone Post-Harvest Infrastructure Projects</b><br>A. Primary post-harvest processing infrastructure facilities at farm level in the identified cluster<br>B. Post-harvest processing infrastructure facilities at farm level in the identified cluster<br>B. Post-harvest processing infrastructure facilities at farm level in the identified cluster | Infrastructure Projects: Maximum grants-in-aid would be ₹10 crore per project. |     |

| Component | Eligible beneficiaries |     | Eligible Activities  |                           | Assistance |     |
|-----------|------------------------|-----|--|---------------------------|------------|-----|
|           | PMKSY                  | AIF | PMKSY  | AIF                       | PMKSY      | AIF |
|           |                        |     | processing infrastructure facilities<br><b>III. Quality production</b> | infrastructure facilities |            |     |

## 2. Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME)

| Components                   | Eligible entities                       |  | Eligible Activities                     |                         | Assistance  |  |
|------------------------------|---|--|---|-------------------------|---|--|
|                              | PMFME                                   | AIF  | PMFME                                   | AIF                     | PMFME   | AIF  |
| Support for microenterprises | Individuals: Unincorporated enterprises | Individuals: Unincorporated enterprises (Agri-entrepreneurs) | Food processing (primary and secondary) | Primary processing only | 35% credit linked capital subsidy upto Rs. 10 lakhs | 3% interest subvention on loan component of Rs. 2cr; |



| Components     | Eligible entities                 |   | Eligible Activities  |  | Assistance  |  |
|----------------|-----------------------------------|---|--|--|---|--|
|                | PMFME                             | AIF                                       | PMFME  | AIF  | PMFME   | AIF  |
|                |                                   |   |  |  |   | Credit guarantee support   |
| Group Category | FPOs/<br>Producer<br>Cooperatives | Groups:FPOs<br>/ Producer<br>Cooperatives | Sorting,<br>grading,<br>assaying,<br>storage,<br>common<br>processing,<br>packaging,<br>marketing,<br>processing of<br>agri produce<br>and testing<br>labs | Sorting grading,<br>assaying,<br>storage,<br>common<br>processing<br>(primary<br>processing),<br>packaging,<br>marketing,<br>processing(prim<br>ary processing)<br>of agri produce.<br><b>Note : Testing<br/>Labs not<br/>eligible</b> | 35% credit<br>linked<br>capital<br>subsidy<br>limit<br>would be<br>as<br>prescribed | 3%<br>interest<br>subventio<br>n on loan<br>compone<br>nt of Rs.<br>2cr;<br>Credit<br>guarantee<br>support |

| Components | Eligible entities |                            | Eligible Activities                           |                         | Assistance  |   |
|------------|-------------------|----------------------------|---|-------------------------|---|---|
|            | PMFME             | AIF                        | PMFME   | AIF                     | PMFME   | AIF   |
|            |                   | SHGs                       | Working capital and tools                     | Not eligible            | Seed capital @ Rs.40000/ SHG member involved in food processing | Not Eligible  |
|            | SHGs              | Farmers/Agri entrepreneurs | Food processing unit by individual SHG Member | Upto Primary processing | 35% credit linked capital subsidy upto Rs. 10 lakhs             | 3% interest subvention on loan component of Rs. 2cr; Credit guarantee support |

| Components                        | Eligible entities   |   | Eligible Activities   |  | Assistance   |   |
|-----------------------------------|---|---|---|--|--|---|
|                                   | PMFME   | AIF   | PMFME   | AIF  | PMFME  | AIF   |
| Support for common Infrastructure |   | Federation of SHGs  | Capital investment for food processing at Federation level of SHG level                                   | Upto Primary processing (excluding working capital)  | 35% credit linked capital subsidy limit would be as prescribed | 3% interest subvention on loan component of Rs. 2cr; Credit guarantee support |
|                                   | FPO, SHGs, cooperatives, any government agency or private enterprise. | FPO, SHGs, cooperatives, any government agency or private enterprise. | Premises for assaying, grading, sorting, warehouse and cold storage at farm gate level; Common processing | Premises for assaying, grading, sorting, warehouse and cold storage at farm gate level; Common processing facility (upto | 35% credit linked capital subsidy limit would be as prescribed | 3% interest subvention on loan component of Rs. 2cr; Credit guarantee         |

| Components             | Eligible entities   |   | Eligible Activities   |   | Assistance   |   |
|------------------------|---|---|---|---|--|---|
|                        | PMFME   | AIF   | PMFME   | AIF   | PMFME  | AIF   |
|                        |   |   | facility;<br>Incubation centre for hiring and training  | primary processing);<br><b>Incubation centre for hiring purpose only.</b> |  | support   |
| Marketing and Branding | FPO, SHGs, Cooperatives or an special purpose vehicle of micro food processing enterprise | FPO, SHGs, Cooperatives or an special purpose vehicle of micro food processing enterprise | Training, developing common brand and packaging , standardizatio nin common packaging, market tie up with retails and Quality control | Packaging Units   | 50% of total expenditure; Limit would be as prescribed . | 3% interest subventio n on loan compone nt of Rs. 2cr; Credit guarantee support |

| <b>Components</b>            | <b>Eligible entities</b> |              | <b>Eligible Activities</b>     |              | <b>Assistance</b> |            |
|------------------------------|--------------------------|--------------|--------------------------------|--------------|-------------------|------------|
|                              | <b>PMFME</b>             | <b>AIF</b>   | <b>PMFME</b>                   | <b>AIF</b>   | <b>PMFME</b>      | <b>AIF</b> |
| Capacity Building & Research | NIFTEM,<br>IIFPT         | Not eligible | Capacity Building and Training | Not eligible | NA                | NA         |



# DPR STRUCTURE FOR COMMON INFRASTRUCTURE

(TO BE FILLED IN BY THE BENEFICIARY ALONG WITH THE EXCEL INPUT SHEET)

## GENERAL INFORMATION – BACKGROUND

- Name of the applicant/agency (beneficiary) with complete address and contact details
- Type of Entity
- Line of Business/ Industry of the Entity
- Goals & Objectives
- Relevant Legal Information based on the form of the Entity- Bylaws, Board Members, Institutional Background,
- Details of Project Consultant

## PROFILE OF EXISTING BUSINESS OPERATIONS

- Domain of Operation and its details
- Name & Location of the project
- Location Advantage
- Background of Current Business, Business Model
- Experience in implementation and operation of such Projects
- Total years of experience producing/manufacturing/trading the product, is it related to food processing industry? If yes, explain?
- Process description including the list of activities performed for value addition, if applicable
- Installed Capacity
- Details about the volumes
- SWOT Analysis (Strength, Weakness, Opportunities & Threats),
- Risk Analysis (Financial Risk, Trade Risk, Management Risk & Production Risk) of current business operation
- Linkages for existing and proposed business

## FINANCIAL BACKGROUND

- Financial Performance of the entity
- Total Units Manufactured, Total Units Sold, Net Profit Generated in case of manufacturing/trading unit.
- Profitability Ratios, Working Capital Ratios, Leverage Ratios, Year-over-Year growth

## PROPOSED BUSINESS PLAN

- **Rationale**
  - Need for the proposed business project? Criticality to the value chain of the major products in the region.

- Operational Area of the Proposed Project
- List of processes, activities to be done under the common Infrastructure site
- Whether new project or expansion/upgradation of an existing project. Please give details.
- Proposed capacity of the Utility/Cold Storage/Warehouse etc. in MTs
- Current status of private investment in the required infrastructure
- **Benefits to the general community**
  - Benefit expected to accrue to the farmers and Industry at large
  - Socio economic benefits (employment generation, upliftment of the growers/farmers) - Please quantify
  - Target beneficiaries/users and what benefit they will be accruing? Please quantify
  - Proposed Employment Generation prospects
  - Critical issues for the success of the project
- **Revenue Model - Proposed Mode of Operation**
  - In case of leasing/renting, what type of revenue model. Revenue from
    - Entire or Partial facility (on rentals? Monthly Rent?)
    - Processing Plant or some machinery in the common infrastructure to be leased out?
  - Proposed capacity of material handling on hourly basis per day
- **Project Implementation**
  - Actual covered area on the main facility proposed to be built
  - Civil Work Details of the proposed project:
    - Land Development (Size, Area, Unit Cost, Number of Units, Cost)
    - Civil Work (Size, Area, Unit Cost, Number of Units, Total Cost)
    - Building (Size, Area, Unit Cost, Number of Units, Total Cost)
  - Plant & Machinery including Electricals, Plumbing and Water Supply for the proposed project (Technical Details, Capacity, Specifications, Unit Cost, Number of Units, Total Cost) The list of plant and machinery to be indicated for primary processing and secondary processing.
  - Other Fixed Assets (Technical Details, capacity, specifications, Unit Cost, Number of Units, Total Cost)
  - Whether premise self/lease/PPP or otherwise?
  - Implementation Schedule of the project
- **Viability/Benefits of the Proposed Project/ Business Plan**
  - Feasibility analysis of project based on technical, economic and financial aspects
  - Proposed Technology (sourcing & efficacy of the technology being used),
  - Price trend of raw material and output from similar industries for last 3 years
  - Production Cost per Unit, Per Unit Profit Estimate, Margins per Unit in case the common infrastructure is doing processing
- **Means of Funding of the total project cost**
  - **Sources of Funding** - In case if the applicant is the state govt. agency, whether the project has been approved/ submitted or under consideration by the



concerned state Govt. Department or any Central Government Scheme for financial grant? If yes give details.

- In case of funding from other sources also, please provide the details about the tie-up made so far with documentary proof.
- Whether any appraisal has been done through financial institution, if yes, please provide the appraisal Note
- **Capability to fulfill Project Requirements**
  - Total Area of land in possession for the project
  - Whether the land on which the project is to be commissioned is free from all encumbrances and is in the possession of the agency. Please provide documentary evidence
  - Availability of cheap labor, adequate trained manpower, transport and other logistical facilities available in the local area.

### **PROPOSED FINANCIAL**

- **Project Cost Outlay**
  - Total Cost of the Project
  - Total Capital Cost
  - Profit and Loss Statements, Profitability Projections for the project for next 3 years
  - Working Capital Estimation,
  - Balance Sheets
  - Cash Flow Projections for next 3 Years
- **Profitability Ratios, Working Capital Ratios, Leverage Ratios, Financials Return Ratios -** Break-even point, Internal Rate of Return, Payback Period, Debt Service Coverage Ratio, Sensitivity Analysis, Year-over-Year growth.
- **Key Financial Details**
  - IRR (Internal Rate of Return)
  - NPV (Net Present Value)
  - Payback period
  - Minimum number of units to be sold to reach break-even point





Samuel Praveen Kumar,  
Joint Secretary  
Ministry of Agriculture & Farmers Welfare  
Department of Agriculture & Farmers Welfare  
Krishi Bhawan, New Delhi – 110 001

Date: 01.08.2022

Place: NEW DELHI



Sh. Minhaj Alam,  
Joint Secretary  
Ministry of Food Processing Industries  
Punchsheel Bhawan, August Kranti Marg  
New Delhi – 110 049

Date: 11/8/2022

Place: New Delhi.

