

Standard Operating Procedure Manual (SOP)
**Implementation of Seed Capital Assistance under
Convergence of DAY-NULM with PMFME Scheme**

Micro Food Processing Units owned and operated by Individual SHG Members, Groups (Members of the same SHG) or Activity Groups (Members from multiple SHGs) are eligible to apply for Seed Capital Assistance @ Rs. 40,000 per SHG member for working capital and purchase of small tools from PM FME Scheme of Ministry of Food Processing Industries (MoFPI) in convergence with DAY-NULM scheme of Ministry of Housing and Urban Affairs (MoHUA) as per the guidelines circulated to States/ UTs vide letter dated 21.06.2021. The operating procedure for Seed Capital Assistance in accordance with the said guidelines has been illustrated in this SOP.

I. Seed Capital

Self-Help Groups (SHGs)/ SHG members presently engaged in Micro Food Processing (MFP) activities with an **experience of at least one year** are eligible to apply for seed capital under the PMFME Scheme (refer 2.1.1 of convergence guidelines for details). **Food processing activity refers to the transformation of raw materials or agri-produce into any other consumable form that has a shelf life and packaging that is done for the market.** An illustrative list of activities excluded for seed capital assistance and the activities eligible for assistance in the same category is given below as example for better clarity:

Activities NOT considered as food processing activity	Activities considered as food processing activity (With reference to referred sector for example)
<ul style="list-style-type: none"> ▪ Milling of cereals (Wheat, Rice, Pulses, Legumes etc.)- Packing of Cereal grains ▪ Unprocessed or loose milk (selling of milk/ curd) ▪ Sorting, grading, washing, and trading of agri-produce, or any food item ▪ Canteen, grocery, hotel, tiffin services, restaurants, or any other food service enterprises ▪ Poultry, piggery, goatry, or any other animal rearing activity ▪ Trading and selling of fresh fish/ cut meat/ chicken, etc. ▪ Grinding and trading of flour/ spices on piece-rate basis ▪ Trading and selling of fruits and vegetables ▪ Selling of loose/ unprocessed spices ▪ Bee-keeping, or loose selling of Honey 	<ul style="list-style-type: none"> ▪ Bakery (bread/ muffins/ cakes/ biscuits/ cookies, etc.) ▪ Chocolate ▪ Khoya/ paneer/ packaged ghee ▪ Packed, processed spices ▪ Packaged honey

II. Preparatory Activities

<p>State Urban Livelihoods Missions (SULMs)</p>	<ul style="list-style-type: none"> • Nominate a State Nodal Officer for PMFME, preferably the State Mission Director. • Build Capacity of all level of NULM staffs including Community Organisers (COs) and Community Resource Person (CRPs) on PMFME scheme, application process, repayment modalities, accounting and book-keeping at SHG&ALF level etc. • Notify the interest rates for the seed capital loan within the maximum prescribed limit of 6 per cent. • Develop a plan to facilitate application generation at SHG level and its digitization at ULBs using existing resources like ROs/ COs/ CRPs. • Devise a table for loan tenure based on the loan size (preferably 18-36 months). • Identify the potential cities/locations for development of food processing clusters in ODOP category and establishment of common infrastructure to support these clusters.
<p>Urban Local Body (ULB)</p>	<ul style="list-style-type: none"> • Nominate an official as City Nodal Officer for PMFME, preferable Municipal Commissioner. • Conduct a survey of Micro Food Processing Units (MFPUs) of SHGs/SHG members and assess the scope for upgradation. • Update the NULM MIS with data of the existing MFPUs. • SHGs should be federated into ALF or CLF to receive Seed Capital under PMFME Scheme. • Conduct capacity building of SHGs/Federations and CRPs on application process, repayment and book-keeping at SHG/ALF level. • Set targets for upgradation of MFP units through seed capital assistance/ capital subsidy component based on the survey findings. • Update all details of SHGs and members in the NULM MIS. The same information will be auto-populated in the PMFME online application portal.

III. Mobilising/Preparation of applications of MFPU applications by SHG/Federation

- MFPU owned by individual SHG members, groups (members of same SHG), as well as Activity Groups (members from multiple SHGs) are eligible for seed capital assistance. Though the members of different SHGs can constitute an Activity Group, all such SHGs should be affiliated to a single ALF.

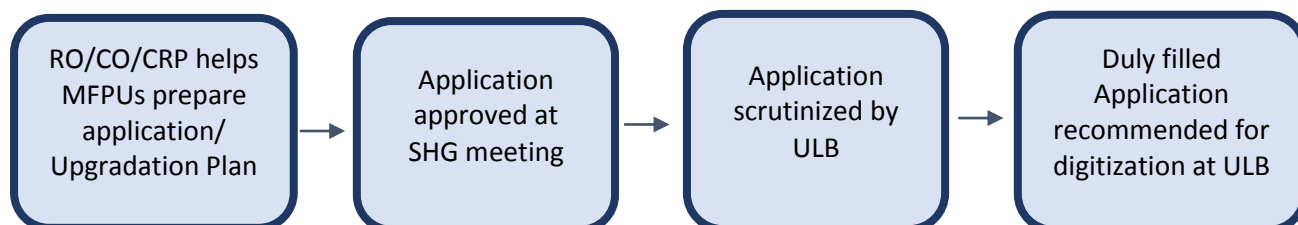
- Resource Organisations (ROs)/Community Organisers (COs)/Community Resource Persons (CRPs)/office bearers of SHGs would facilitate the MFP units to prepare applications in hard copies in the prescribed format (Application Form I & II) along with declaration signed by the concerned SHG office bearers.

Documents Check List

- Completed application (Form I & II)
- Declaration signed by SHG office bearers in the applicable form
- Photograph of enterprise depicting the nature of enterprise and products
- Bank Passbook copy
- FSSAI license, if available
- GST registration certificate, if available

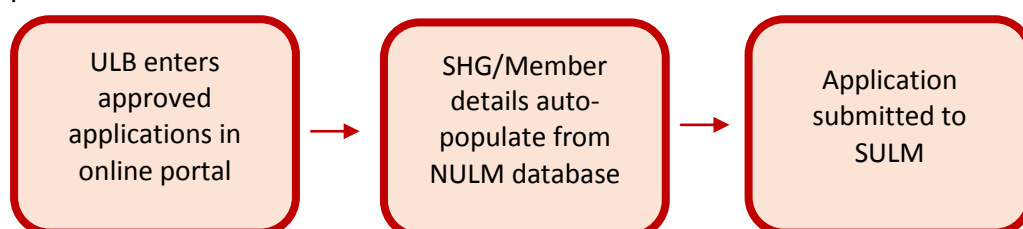
- The **approximate turnover of the MFPU shall be calculated based on the gross sales value** of enterprise in the last financial year (12 months cumulative sale value).
- The list of **Product Categories/ Sub-Categories can be referred in Annexure** for filling-out the application in hard copy.
- The application should be completed in all aspects including all related figures to avoid confusion during online entry at ULB level.
- The amount of seed capital requested for working capital as well as for purchase of small tools and equipment should be in adherence with clause 2.1.3 of the convergence guideline.
- ROs/COs/CRPs should support the MFPUs not only in preparing the application but shall also facilitate in developing Enterprise Upgradation Plan. The enterprise upgradation plan should be consistent with the eligibility prescribed under the Seed Capital component.
- A photograph of the enterprises depicting the nature of enterprise and products being manufactured should be submitted along with the application.
- Copy of the passbook of the bank account of proprietor (for individual enterprise)/ Enterprise bank account (for Group enterprise of members from same SHG and activity group) also should be enclosed along with the application.
- In case of enterprises having FSSAI licence and GST registration, copy of concerned certificates also should be enclosed. Or else, MFPU should be encouraged to apply for FSSAI license at the earliest.

- The applications approved in the meeting of the SHGs (Form I & II) shall be forwarded to the ULB by ROs/COs/CRPs concerned.
- **ULB would scrutinize the hard copy applications received and accord necessary approval. It will also digitize the approved applications for uploading on NULM MIS.**



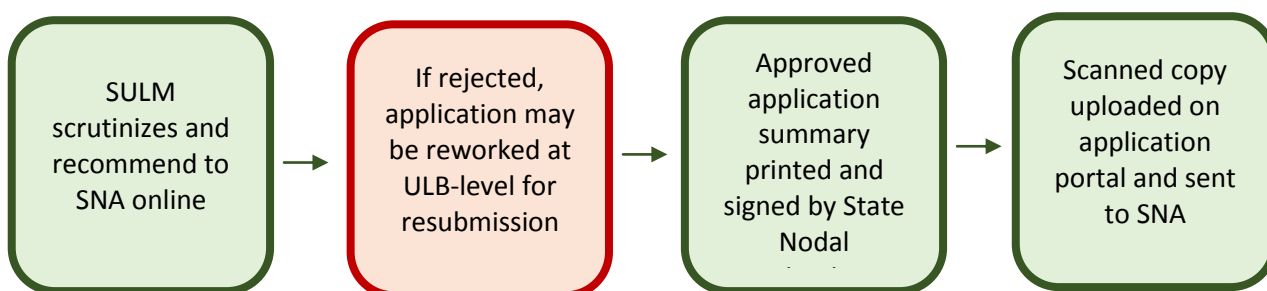
IV. Entry of online application at ULB

- **Application for seed capital shall be processed in online mode only.** A separate module has been developed on NULM MIS for this purpose.
- Login credentials shall be provided to the users at ULBs and SULMs for processing applications on NULM MIS.
- The applications of the MFPU approved by the SHGs will be submitted to ULBs by ROs/ COs/ CRPs in hard copies. The ULBs after their scrutiny will allow entry of application in the NULM MIS portal.
- Soft copy of application (Form I & II) along with approval of ULB, photograph of the enterprise, FSSAI license, GST registration certificate (FSSAI & GST, if available) should be ready for uploading while filling the online application.
- Details of the SHGs and its Members will be picked from the existing SHG database in the NULM MIS. **There will not be provision for manual entry of these details.**
- Details like **name of SHG Members, Aadhaar number, phone number etc. will be auto populated from the existing SHG data base.** In case these are not entered in the NULM MIS, ULB should ensure correct and complete MIS data entry before filling the online applications. Online application will be **registered only after successful Aadhaar Authentication and Mobile Number Validation.**
- Applications of the MFPU owned by individual SHG members, Groups (members of same SHG), and Activity Groups (members from multiple SHG) can be submitted online under the respective categories available in the drop down.
- Once applied for seed capital either as individual, group, or activity group, such members will not be available to pick from MIS database to submit another application.



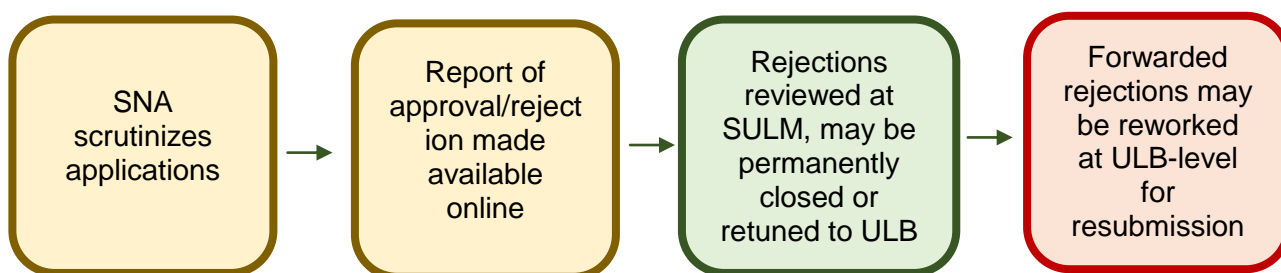
V. Recommendation by SULM

- All the applications submitted by the ULBs will be available for recommendation at SULM login. There is no edit option at the SULM level. However, SULM may reject the applications citing reasons.
- The applications rejected at the state level, would be available again at ULB level for reconsideration/ rectification.
- After approval of a set of applications, SULM shall download the summary of approved applications from the portal. This summary of proposal signed by mission director/ designated officer shall be forwarded to SNA through the online portal.
- Signed copy of the summary of application should be uploaded on the portal also. It will be visible for reference to all stakeholders.



VI. Approval by SNA

- All the applications recommended by the SULM will be available to SNA for approval/rejection.
- Report of the applications approved/rejected by SNA will be available in the report section of all stakeholder's login.
- Rejected applications (with reasons for rejection) will be available to SULM for review. SULMs can either permanently close these applications, or forward it to ULBs for re-consideration

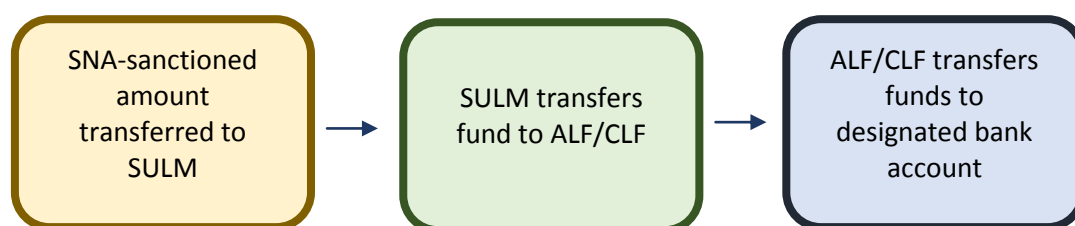


VII. Fund release

- Amount sanctioned by SNA against the approved applications would be transferred into the bank account of SULM.
- SULM on receipt of the amount would transfer this money to the concerned Federation's (ALF/CLF) bank account **within 10 days**. For **MFPUs which do not**

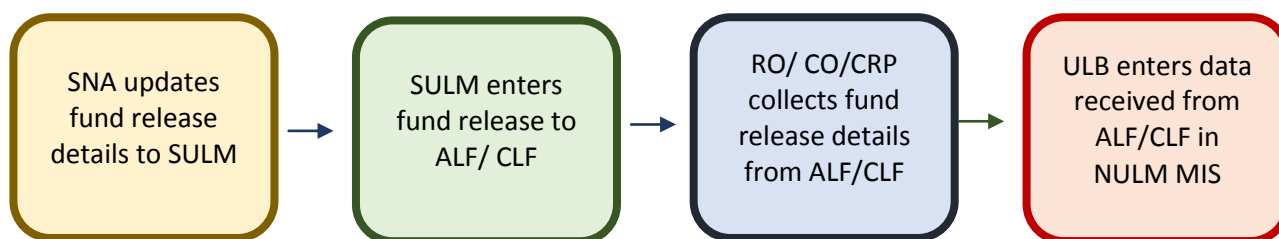
possess FSSAI registration/ license, at the time of application, SULM will verify FSSAI license status and transfer the sanctioned amount for such MFPU after they successfully get the FSSAI registration/ license.

- **In case of enterprises having individual members, ALF/ CLF will transfer the seed capital amount directly to the bank account of the beneficiaries. In case of group enterprises/ activity groups the sanctioned seed capital amount would be transferred to the bank account of Enterprise.**
- SHGs and federations will maintain a separate ledger for the loan released under PMFME. Similarly, the separate account will be maintained at ALF/ CLF level on the grant received from PMFME through SULM.



VIII. Online entry of fund release data

- As soon as the funds are released by PMFME, SNA and SULM would enter the release details on the PFMS module in the NULM MIS.
- Fund release details from ALF and CLF to the Enterprise will be collected in the prescribed format by ROs/ COs/CRPs.
- The data collected will be entered in the NULM MIS Module by ULB from their login.



IX. Utilization

- One month's interest-free lock-in period will be available for the beneficiaries to complete procurement and installation of tools/equipment and completing the upgradation process.
- ULBs will collect the details of the fund utilization by MFPU through ROs/ CRPs/COs and enter data through ULB login.

X. Repayment

- As per the PMFME scheme convergence guideline, a maximum of 6% of interest can be charged on the seed capital loans.
- ROs/ COs/CRPs will support the SHGs for calculating the EMI schedule of each beneficiary.
- ALFs shall recover the EMI through SHGs. ROs/ COs/ CRPs shall extend support in this regard.
- The ROs/ COs/ CRPs/ALF office bearer designated to keep the PMFME loan ledger should prepare the repayment report in the prescribed format, and forward to ULB before 15th of every month.



XI. Dashboard

- Dashboard depicting overall status of PMFME implementation is incorporated in the IT Module on NULM MIS.
- It has been linked with real time progress in applications mobilized, recommended by ULB and SULM, and approved by SNA.

Annexure

S.no.	Product category (Refereed in S.N. 4 of Form-II)	Product sub-category (Referred to S.N. 5 of Form-II)
1	Beverages (other than dairy products)	Beverages non-alcoholic (fruit wine etc.)
2	Beverages (other than dairy products)	Beverages-alcoholic (fruit wine etc.)
3	Beverages (other than dairy products)	Coffee and its products
4	Beverages (other than dairy products)	Tea and its products
5	Cereal and cereal products	Animal feed
6	Cereal and cereal products	Besan
7	Cereal and cereal products	Corn products
8	Cereal and cereal products	Cornflour (maize starch)
9	Cereal and cereal products	Jau flour
10	Cereal and cereal products	Malted and malt based foods
11	Cereal and cereal products	Noodles
12	Cereal and cereal products	Pasta products (macaroni, spaghetti and vermicelli)
13	Cereal and cereal products	Protein rich (paushtik) maida
14	Cereal and cereal products	Rice based products
15	Cereal and cereal products	Sago/sabodana
16	Food with nutritive purposes and others	Isabgol powder
17	Food with nutritive purposes and others	Jackfruit (pickle/ cookies/ dried/ chocolate/ beverage/ pulp etc.)
18	Food with nutritive purposes and others	Gulkand
19	Food with nutritive purposes and others	Nutrimixes
20	Fruits and vegetables	Fruit juices
21	Fruits and vegetables	Fruit nectars
22	Fruits and vegetables	Fruit pulp/puree and sweetened fruit pulp/puree
23	Fruits and vegetables	Mango pulp/puree and sweetened mango pulp/puree
24	Fruits and vegetables	Tomato juices
25	Fruits and vegetables	Tomato puree and paste
26	Fruits and vegetables	Amla (powder/ candies/ murabba/ juice etc.)
27	Fruits and vegetables	Candied, crystallised and glazed fruits/vegetable/rhizome/fruit peel
28	Fruits and vegetables	Canned fruit juices
29	Fruits and vegetables	Canned fruits
30	Fruits and vegetables	Canned vegetables
31	Fruits and vegetables	Canned/ bottled vegetable juices
32	Fruits and vegetables	Carbonated fruit beverages and fruit drink
33	Fruits and vegetables	Coconut based products
34	Fruits and vegetables	Dehydrated fruit
35	Fruits and vegetables	Dehydrated vegetables
36	Fruits and vegetables	Fruit and vegetable chutney

37	Fruits and vegetables	Fruit bar/toffee
38	Fruits and vegetables	Jam, fruit jelly, marmalades,
39	Fruits and vegetables	Murabba
40	Fruits and vegetables	Pickles
41	Fruits and vegetables	Soyabean sauce
42	Fruits and vegetables	Squashes, crushes, fruit syrups, fruit sharbats, cordial
43	Fruits and vegetables	Tamarind pulp/puree and concentrate
44	Fruits and vegetables	Tomato ketchup and tomato sauce
45	Fruits and vegetables	Vinegar
46	Fruits and vegetables	Others
47	Nuts and oilseeds	Arecanut/ betelnut
48	Nuts and oilseeds	Cashewnut (juice/ fenni/ dried/ jam/ butter/ roasted/ salted)
49	Nuts and oilseeds	Datepalm (jaggery/juice/dates)
50	Nuts and oilseeds	Fig (canned/dried/juice/jeu=Ily
51	Nuts and oilseeds	Groundnut (chikki/ roasted/ salted/ coated etc.
52	Nuts and oilseeds	Sesame (chikki/ roasted/ snack etc.)
53	Nuts and oilseeds	Walnut (roasted/ salted/ powder)
54	Spices, herbs, seasonings and condiments	Ajowan(bishops seed) based products
55	Spices, herbs, seasonings and condiments	Aniseed (saunf) based products
56	Spices, herbs, seasonings and condiments	Asafoetida (hing or hingra) powder packed
57	Spices, herbs, seasonings and condiments	Cardomom based products
58	Spices, herbs, seasonings and condiments	Chilli based products
59	Spices, herbs, seasonings and condiments	Cinnamon (dalchini) based products
60	Spices, herbs, seasonings and condiments	Cloves (laung) based products
61	Spices, herbs, seasonings and condiments	Coriander (dhania) based products
62	Spices, herbs, seasonings and condiments	Cumin (safedzeera) based products
63	Spices, herbs, seasonings and condiments	Cumin black (kalonji) based products
64	Spices, herbs, seasonings and condiments	Curry powder packed
65	Spices, herbs, seasonings and condiments	Dehydrated onion(sukhapyaz) packed
66	Spices, herbs, seasonings and condiments	Dried mango powder(amchur)
67	Spices, herbs, seasonings and condiments	Dried mango slices
68	Spices, herbs, seasonings and condiments	Dried(dehydrated)garlic(lahsun) packed
69	Spices, herbs, seasonings and condiments	Edible common salt
70	Spices, herbs, seasonings and condiments	Fennel (saunf)based products
71	Spices, herbs, seasonings and condiments	Fenugreek (methi) based products
72	Spices, herbs, seasonings and condiments	Ginger (sonth, adrak) based products
73	Spices, herbs, seasonings and condiments	Large cardomom based products
74	Spices, herbs, seasonings and condiments	Mace (jaipatri) based products

75	Spices, herbs, seasonings and condiments	Mixed masala(whole) packed
76	Spices, herbs, seasonings and condiments	Mustard(rai,sarson) based products
77	Spices, herbs, seasonings and condiments	Nutmeg(jaiphal)based products
78	Spices, herbs, seasonings and condiments	Pepper black(kalimirch) based products
79	Spices, herbs, seasonings and condiments	Pepper whitebased products
80	Spices, herbs, seasonings and condiments	Poppy(khaskhas) based products
81	Spices, herbs, seasonings and condiments	Saffron(kesar) packed
82	Spices, herbs, seasonings and condiments	Turmeric(haldi) based products
83	Minor forest produce	Custard apple (paste/ice cream/squash/milk shake/jam etc.
84	Minor forest produce	Harra powder
85	Minor forest produce	Jackfruit (pickle/ cookies/ dried/ chocolate/ beverage/ pulp etc.)
86	Minor forest produce	Mahua (powder/ cake/ biscuit/ rab/ wine etc.)
87	Minor forest produce	Mushroom (dried/ powder/ biscuits/ cookies/pickle etc.)
88	Minor forest produce	Tamarind (paste/sauce/chutney/juice/ pulp/ pickle/ candies etc.)
89	Bakery products	Breads and rolls
90	Bakery products	Cakes, cookies, biscuit, cracker and pies (e.g., fruit-filled or custard types)
91	Bakery products	Ordinary bakery products (e.g., bagels, pita, breads, buns)
92	Confectionary	Candies
93	Confectionary	Chocolates
94	Confectionary	Petha
95	Confectionary	Sugar boiled confectionary (milk toffee an butter toffee)/sugar based/sugar free confectionary
96	Dairy products	Chenna or paneer
97	Dairy products	Dairy based sweets
98	Dairy products	Ice cream,kulfi,chocolateicecream or softy ice cream
99	Dairy products	Khoya
100	Dairy products	Milk fat/ butter oil and anhydrous milk fat/anhydrous butter oil
101	Fats and oils	Coconut oil (naryalkatel)
102	Fats and oils	Groundnut oil(moong-phali-katel)
103	Fats and oils	Linseed oil(tilikatel)
104	Fats and oils	Mahua oil
105	Fats and oils	Oils
106	Fats and oils	Rape-seed oil or mustard oil
107	Fish and marine products	Canned fish products
108	Fish and marine products	Pickled fish and marine products
109	Fish and marine products	Salted fish/ dried salted fish
110	Meat and poultry products	Meat pickle

111	Meat and poultry products	Smoked pork
112	Millet based products	Biscuits
113	Millet based products	Bread
114	Millet based products	Millet based flour
115	Millet based products	Millet based other bakery products
116	Millet based products	Others
117	Ready to eat	Chips
118	Ready to eat	Local traditional snacks and sweets
119	Ready to eat	Namkeens
120	Ready to eat	Papad
121	Ready to eat	Sweets
122	Sweetners (including honey, jaggery etc.)	Gur or jaggery
123	Sweetners (including honey, jaggery etc.)	Honey
124	Sweetners (including honey, jaggery etc.)	Ice lollies or edible ices
125	Sweetners (including honey, jaggery etc.)	Ice lollies or edible ices (ice candy)
126	Others	Others