



# JEEVIKA

Rural Development Department, Government of Bihar

## Bihar Rural Livelihoods Promotion Society State Rural Livelihoods Mission, Bihar



बिहार सरकार

Vidyut Bhawan - II, Bailey Road, Patna- 800 021; Ph.:+91-612-250 4980; Fax:+91-612-250 4960, Website:www.brllps.in

Ref:- BRLPS/P20j-NF/1855/21/1402

Date:- 04.08.21

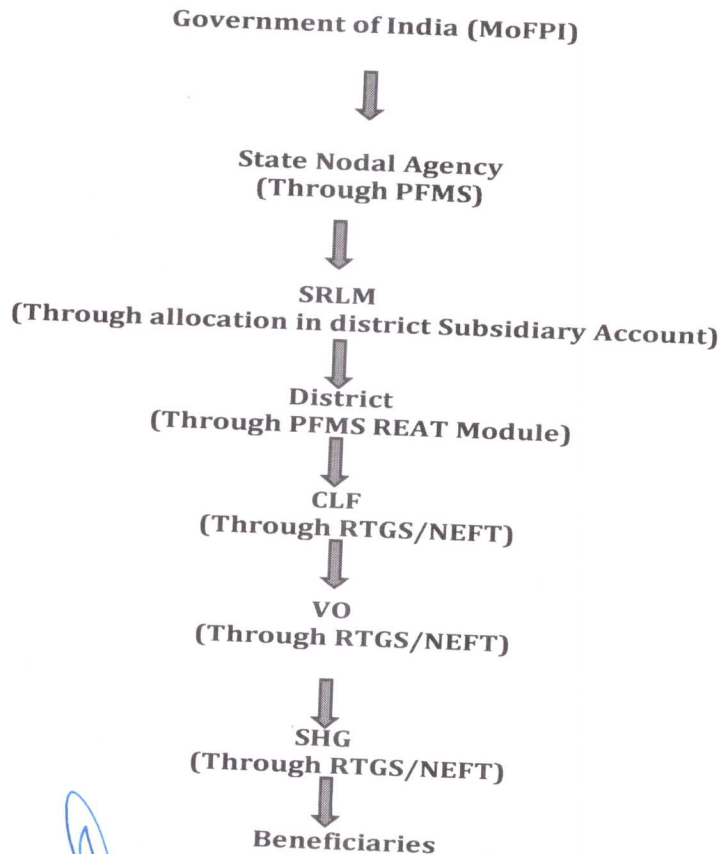
### Guidelines for PMFME

#### 1. Instructions for disbursement of seed capital to identified SHGs under PMFME Scheme

The PMFME scheme envisages financial support (upto) of maximum of Rs. 40,000 for working capital and purchase of small tools for each member of SHGs engaged in food processing activities. As per the PMFME Scheme guidelines, Ministry of Food Processing Industries (MoFPI) would release its contribution to SNAs for the Seed Money component, as a grant to SRLM. For channelizing funds to SHGs, the seed money would be provided to Cluster Level Federation/ Village Organizations by SRLM as a grant. CLF/VOs would provide Seed Capital money as a loan to SHG members. The maximum loan repayment period is 24 months. The repaid loans would be the corpus of the CLF.

Fund will be disbursed only to those SHGs in which members of SHGs are engaged in Food processing activities listed by NRLM and their proposals are enrolled and approved online on NRLM portal.

#### 2. Process of Fund flow (NRLM Guidelines)



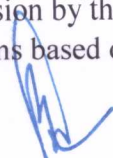
SNA would transfer the consolidated amount of Seed Capital against the approved proposals to the designated account of SRLM.

- SPMU to transfer the funds to respective DPCU within 2 days of fund received from SNA.
- DPCU to transfer the funds to respective CLF/VO within 2 days (Fund will be transferred to nodal VO where CLF is not available).
- CLF/VO thereupon provide Seed Capital money as a loan to the SHG account in case of individual application or food processing group account in case of group application within 2 days.
- SHG will transfer the seed capital to respective beneficiaries whose application is enrolled and approved online on NRLM portal within 2 days.
- The rate of interest charged by the SHG from the loans given using seed capital of PMFME scheme will be at 0.5% per month on a reducing balance basis (or 6% per annum on a reducing balance basis.)
- Mode of repayment will be Member to SHG, SHG to VO, then VO to CLF.
- The interest amount may be divided among SHG, VO and CLF in the ratio of 20:20:60.
- The interest amount received at SHG & VO after repayment may be used for monitoring of enterprises.
- The interest amount received at CLF may be used as a corpus for loan to Food processing related enterprise.
- Repayment time for the loan is 24 months where initial three months will be moratorium period.

### **3. Instructions for authenticating 5% applications**

Minimum 5% of total application (enterprise) submitted by Districts has to be authenticated.

Process for authentication of enterprise is listed below:

- Identification of 5 to 10 blocks with maximum number of proposals.
  - Team formation at district and block level (NF nodal from district & BPM should form a team of 2 member) validating the authenticity of the data through on-field physical verification.
  - Identification of enterprises reflecting maximum turnover during the previous FY.
  - Authentication of data must be completed within 7 days through field visit after entering it on the website for approval
  - The proposals identified for data authentication to be kept on hold for recommendation/ rejection till the validation report is received from the designated team/ official.
  - Validation report submission by the team at DPCU to NF nodal at SPMU for making further recommendations/ rejections based on the validation reports.
- 

#### 4. Checklist for proposal data authentication shared by NRLM:

- Name of entrepreneur, block, district and SHG
- Place and Date of visit
- Existence of enterprises - Yes/ No
- Meeting with entrepreneur Yes/ No
- Cross checking of data provided in the proposals such as
- Products being products
- Images – Enterprise and products (also to be captured during visit)
- Assessment of the investment made
- Assessment of Loans, if any
- Seasonality of the enterprise
- Turnover estimation through questions like raw material purchased, cost of processing, sales etc.

#### Final Remarks by the assessor/ visitor

- Application Data Authenticated:
- Application data Not Authenticated:

#### 5. Accounting Entry of PMFME scheme in Books of Records by NF & CF Team

According to the fund operational guidelines by NRLM for PMFME intervention, it appears that routing of fund being in accordance accepted practice and norms three tier structure of CBOs (i.e. CLF, VO and SHG) except the rate of interest being 6% from member to be allocated among the three tier CBOs in proportion of 20:20:60 for SHG, VO and CLF respectively. Since it being new intervention hence a separate accounting head will be required for reflection of transaction through books of account in respect of particular intervention. The prescribed accounting head for different level of CBOs being as under:-

##### A. At CLF Level:

- I. **For receipt of Fund from the project** - to be recorded under Head “PMFME Fund”. The nature of transaction being - Liability.
- II. **Fund disbursed to Village Organisation** – to be recorded under the Head “VO-PMFME Loan”. The nature of transaction being - Assets.
- III. **Recovery of Principal amount of PMFME loan to VO** – to be recorded under the accounting head “VO-PMFME Loan (pr. Recovery). The nature of transaction being – Assets to be recorded under receipt side.
- IV. **Interest receipt on PMFME loan** – to be recorded under the accounting head “Interest on PMFME Loan”. The nature of transaction being - income.

**B. At VO Level:**

- I. **For receipt of Fund from CLF for PMFME** - to be recorded under Head “CLF – PMFME Loan” . The nature being of Liability.
- II. **Fund disbursed to SHG** – to be recorded under Head “SHG - PMFME Loan”. The nature being of Assets.
- III. **Recovery of Principal amount of PMFME loan to SHG** – to be recorded under the accounting head “SHG-PMFME Loan (pr. Recovery). The nature of transaction being – Assets, to be recorded under receipt side.
- IV. **Interest receipt on PMFME loan from SHG** – to be recorded under the accounting head “Interest on PMFME Loan” . The nature of transaction being - income.
- V. **Refund of Principle amount of PMFME loan from CLF** – to be recorded under the Head “CLF-PMFME Loan (pr. Repaid)”. The nature of transaction being – liability, to be recorded under Payment side.
- VI. **Interest on CLF PMFME Loan paid to CLF** – to be recorded under the accounting head “Interest on PMFME Loan from CLF” . The nature of transaction being - Expenses.

**C. At SHG level:**

- I. **For receipt of Fund from VO for PMFME** - to be recorded under Head “VO – PMFME Loan” . The nature being of Liability. This accounting head not printed in the LDP hence may be substituted manually with other head under the Bank section if received from the VO in the Saving bank account of SHG.
- II. **Fund disbursed to Member** – to be recorded under Head “Loan to member”. Simultaneously it need to be posted in the loan register specifying PMFME loan against the name of member. The nature of transaction being - assets
- III. **Recovery of Principal amount of PMFME loan from member** – to be recorded under the accounting head “Principal recovery from member. The recovery must be specifically supported by description of recovery in the minute book and simultaneous posting in the loan register in the same sheet where the loan in the name of member being opened. The nature of transaction being – Assets to be recorded in receipt side.
- IV. **Interest receipt on PMFME loan from member** – to be recorded under the accounting head “Interest on member Loan”. The receipt must be specifically supported by description of in the minute book and simultaneous posting in the loan register in the same sheet where the loan in the name of member being opened. The nature of transaction being – Income.



- V. **Refund of Principle amount of PMFME loan from VO** – to be recorded under the accounting head “VO-PMFME Loan (pr. Repaid)”. The nature of transaction being – liability, to be recorded under Payment side.
- VI. **Interest on CLF PMFME Loan paid to VO** – to be recorded under the accounting head “Interest on PMFME Loan from CLF” . The nature of transaction being - Expenses.

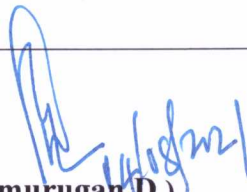
It is essential for PMFME loan monitoring that all the CBOs i.e. CLF, VO & SHG Level, update their respective loan register on regular basis to monitor Demand, Recovery, Overdue and outstanding of respective loan.

### 6. Detailed Task with Responsibility for Implementation of PMFME

Following tasks to be done for implementation of this program:

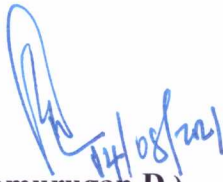
Sl. no	Detailed (minute) Task	Responsibility
1	Survey of enterprise engaged in food processing activity	NF Nodal/BPM/SVEP BPM/AC/CC/CRP/CM
2	Selection of enterprise engaged in food processing activity	NF Nodal/BPM/SVEP BPM/AC/CC/CRP/CM
3	Application submission & approval at SHG	NF Nodal/BPM/SVEP BPM/AC/CC/CRP/CM
4	Application submission & approval at VO once received from SHG	NF Nodal/BPM/SVEP BPM/AC/CC/CRP/CM
5	Application submission & approval at CLF once received from VO	NF Nodal/BPM/SVEP BPM/AC/CC/CRP/CM
6	Data collection as required to fill application on NRLM	NF Nodal/BPM/SVEP BPM/AC/CC/CRP/CM
7	photographs capturing of packaged products	NF Nodal/BPM/SVEP BPM/AC/CC/CRP/CM
8	VO mapping data collection & sharing to SPMU	NF Nodal/BPM/SVEP BPM/AC/CC/CRP/CM
9	Mapping of VO	MIS nodal SPMU
10	First level federation mapping on NRLM MIS (to complete village, SHG & Member mapping)	MnE team & NF team/BPM, with support of Data entry operator
11	SHG account details entry on NRLM MIS portal (at Register Self Help group tab)	NF Nodal/BPM with support of Data entry operator
12	Food processing enterprise entry at Food processing & micro enterprise tab in NRLM MIS portal	NF Nodal/bpm with support of Data entry operator
13	Approval of application in MIS at SPMU	NF team SPMU
14	Approval from competent authority & submission of data to SNA	NF team SPMU
15	Fund transfer to SLRM from SNA	SNA
16	Disbursement of fund to DPCU within 7 days f fund received from SNA	NF team SPMU
17	Disbursement of fund to CLF from DPCU within 48 hrs of fund received from SPMU	NF team DPCU with support of BPM

18	Disbursement of fund to VO from CLF within 48 hrs of fund received from DPCU	NF team DPCU with support of BPM/AC/CC
19	Disbursement of fund to SHG from VO within 48 hrs of fund received from CLF	NF team DPCU with support of BPM/AC/CC
20	Disbursement of fund to SHG beneficiary from SHG within 48 hrs of fund received from VO	NF team DPCU with support of BPM/AC/CC
21	Repayment of loan	BPIU/DPCU/ SPMU as per guideline issued regarding PMFME accounting process
	<b>* Mgr-NF/YP-NF/Mgr-inc NF will be nodal person at District level for PMFME</b>	
	<b>* DPMs would have overall responsibility regarding implementation of PMFME</b>	

  
**(Balamurugan D.)**  
 Chief Executive Officer, BRLPS


**Annexure:**

- Fund operational guidelines shared by NRLM for PMFME

  
**(Balamurugan D.)**  
 Chief Executive Officer, BRLPS

**Copy to:-**

1. CFO/OSD/AO/FO/PS.
2. All SPMs & PMs.
3. All DPMs/All FMs/Non-Farm Managers.
4. IT Section.
5. Concerned File.

  
**(Balamurugan D.)**  
 Chief Executive Officer, BRLPS

**PM Formlisation of Micro Food Processing  
Enterprises Scheme (PMFME)**

**PFMS SCHEME CODE (3887)**

**PMFME-Fund Operational Guidelines through PFMS  
(PMFME-FOG)**

## 1 BACKGROUND

The unorganized food processing sector in the country comprises nearly 25 lakh food processing enterprises which are unregistered and informal. With only 7% of investment in plant & machinery and 3% of outstanding credit, the unorganized enterprises contribute to 74% of employment (a third of which are women), 12% of output and 27% of the value addition in the food processing sector. Nearly 66% of these units are located in rural areas and about 80% of them are family-based enterprises<sup>1</sup>. Most of these units falls under category of micro manufacturing units in terms of their investment in plant & machinery and turnover.

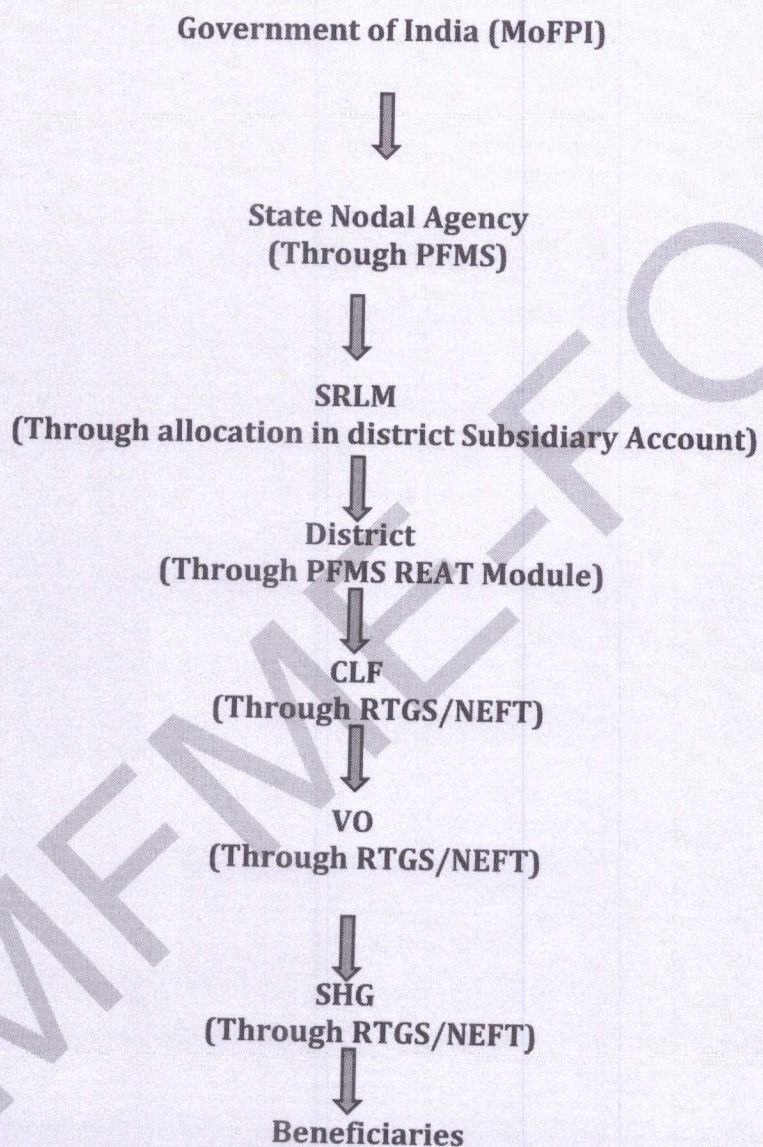
The unorganized food processing industry in India faces challenges that limit its development and weakens performance. These challenges include: (a) lack of productivity and innovation due to limited skills and access to modern technology and machinery for production and packaging; (b) deficient quality and food safety control systems, including lack of basic awareness on good hygienic and manufacturing practices;(c) lack of branding & marketing skills and inability to integrate with the supply chains, etc.:(d) capital deficiency and low bank credit.

Unorganized micro food processing units, need intensive hand holding support for skill training, entrepreneurship, technology, credit and marketing, across the value chain, necessitating active participation of the state government for better outreach. In the last decade, Central and State Governments have made intensive efforts to organize farmers in Food Processing Organisations (FPOs) and women's Self Help Groups (SHGs). SHGs have achieved considerable progress in thrift and their repayment record with 97% NPA level is among the best. Governments have made efforts to enable SHGs to undertake various manufacturing and service sector activities including food processing. However, there are few Government schemes to support FPOs and SHGs to make investment and upscale their operations.

This scheme is a centrally sponsored scheme that is designed to address the challenges faced by the micro enterprises and to tap the potential of groups and cooperatives in supporting the upgradation and formalization of these enterprises.



## 2. Fund Flow under PMFME Scheme



- The States/UTs to follow the same fund flow as followed for the DAY-NRLM Scheme.
- At the State level, the State Level Approval Committee to oversee the implementation of the scheme and the scheme being operated by a nominated State Nodal Agency, supported by a State PMU of MoFPI.
- Utilization of funds will be monitored by NRLM and MoFPI.

### 3. Nomenclature of scheme in PFMS:

PMFME (3887)/State Name

### 4. Implementation Plan:

- I. State Nodal agency (SNA), is designated by the Ministry of Food Processing.
- II. Creation of separate State scheme in PFMS by State Finance Department in coordination with PFMS State Directorate and SRLM (State Scheme Manager) (under CSS 3887).
- III. Budget components of PMFME should be migrated in the State PFMS scheme code with the help of SPMU team of PFMS (at the State level by SRLM).
- IV. SRLM to open a dedicated bank account for PMFME scheme at state level in the Scheduled Commercial Bank authorized to conduct government business in PFMS.
- V. SRLMs need to register PMFME scheme under PFMS (using the login credentials shared by SNA against the allotted State Scheme code) and enter new dedicated bank details accordingly at State level. Screen shot attached at annexure-I.
- VI. Against the PMFME scheme, SRLM to select SNA as funding agency as per screen shot attached at Annexure-II.
- VII. After completion of the registration at state level by SRLM, State Nodal agency (SNA) to approve the same in PFMS by using their admin ID.

### 4. Fund transfer to SRLMs:

- I. State Nodal agency (SNA) to transfer the Funds under PMFME to SRLM through PFMS.
- II. Funds transferred by SNA to SRLM through PFMS, to be received by the SRLM (in PFMS) in its dedicated bank account through My Fund - Received from other agency - select scheme at State. Screen shot attached at annexure-III.
- III. Funds received by SRLM to be allocated (i.e., inform the Bank branch formally, the drawing limits of districts/subsidiary accounts from the main account) to districts subsidiary account within 48 hours of its receipts and the district allocation should be intimated to the District.
- IV. To have more effective cash management and bring more efficiency in the public expenditure management, Ministry of Finance directed that the fund transfer, utilization and monitoring should be through PFMS only with effect from 01-07-2021 onwards for all Govt. Schemes.

### 5. Fund transfer to Districts:

- I. A subsidiary bank account (linked to State level account of PMFME) at District Mission Management Units (District Units) be opened for PMFME scheme.
- II. All DMMUs should register PMFME scheme under PFMS (State Scheme code) and enter new bank details in PFMS.
- III. State (SMMU) will approve the districts new scheme and bank account in PFMS.

- IV. After approval of the scheme and bank account of district in PFMS, SRLM will allocate the funds to subsidiary accounts of districts based on the approval received from SRLM.

## 6. Fund Transfer to CLF:

- I. District Mission Management unit will transfer the money to CLF/VO through PFMS.
- II. CLF/VO/SHG if not registered in PFMS, should be registered as vendor by DMMU.
- III. The funds should be transferred by DMMU to CLFs/VOs within 48 hours on receipts of allocation of funds from SRLM.

## 7. Fund Transfer to SHG:

- I. CLF will transfer money to SHG through RTGS/NEFT within 48 hours of receipts of funds from district.
- II. SHG will transfer the money to the beneficiaries within 48 hours of receipts of funds from CLF.

## 8. Role of Stake Holders

- I. Central PFMS
- II. MoFPI
- III. DoRD
- IV. SRLM
- V. PFMS State Directorate

### Central PFMS

- Create separate centrally sponsored scheme.
- Central PFMS team will coordinate with PFMS State Directorate team for creation of State scheme and to link with PMFME scheme (3887).
- Advice to PFMS State Directorate to remove multiple State schemes linked with central scheme 3887 (if any) in consultation with SRLM.
- Training and capacity building support to NMMU and SRLMs

- Coordination with respective PFMS State Directorate on restriction of mapping schemes of others States and removal of all such schemes.
- Provision of managing fund release category (EA) based on purpose before executing Payment advice and settlement of advances.

#### **MoFPI**

- Ministry will coordinate with Central PFMS team and SNA of States for implementation of PFMS under PMFME.
- Ministry will coordinate with all States for creation/configuration of the schemes of each State.
- Technical support if any.

#### **DoRD**

- NMMU will coordinate with CCA, MoRD, Central PFMS team and states for implementation of PFMS under PMFME.
- NMMU will coordinate with all States for creation/configuration of the schemes of each State.
- Training and capacity building support to SRLMs on the use of integrated system.

#### **SRLM**

- SMMU will be responsible for registration of SMMU and DMMU as agency under the respective State scheme which are linked with central PMFME scheme (3887).
- Ensure only one State PMFME scheme or only related schemes are linked with central PMFME scheme (3887).
- Coordinate with PFMS State Directorate team to shift all required agencies from Central scheme to State PMFME scheme.
- Ensure all agencies and vendors are registered under the State scheme instead of central scheme
- Training and capacity building of district and block units for implementation.

#### **PFMS State Directorate Team**

- State PFMS team will ensure creation of a separate State PMFME scheme linked with central scheme (3887).
- Delinking of already linked State specific schemes with 3887(if any) where there is no

central contribution.

- Agencies such as SMMU/DMMU/BMMU registered directly under central scheme (3887) need to remove and map with State scheme with required agencies.
- Support for training and capacity building of SMMU, DMMU and BMMU team members
- Technical support

### **Component of the Scheme:**

Seed Capital

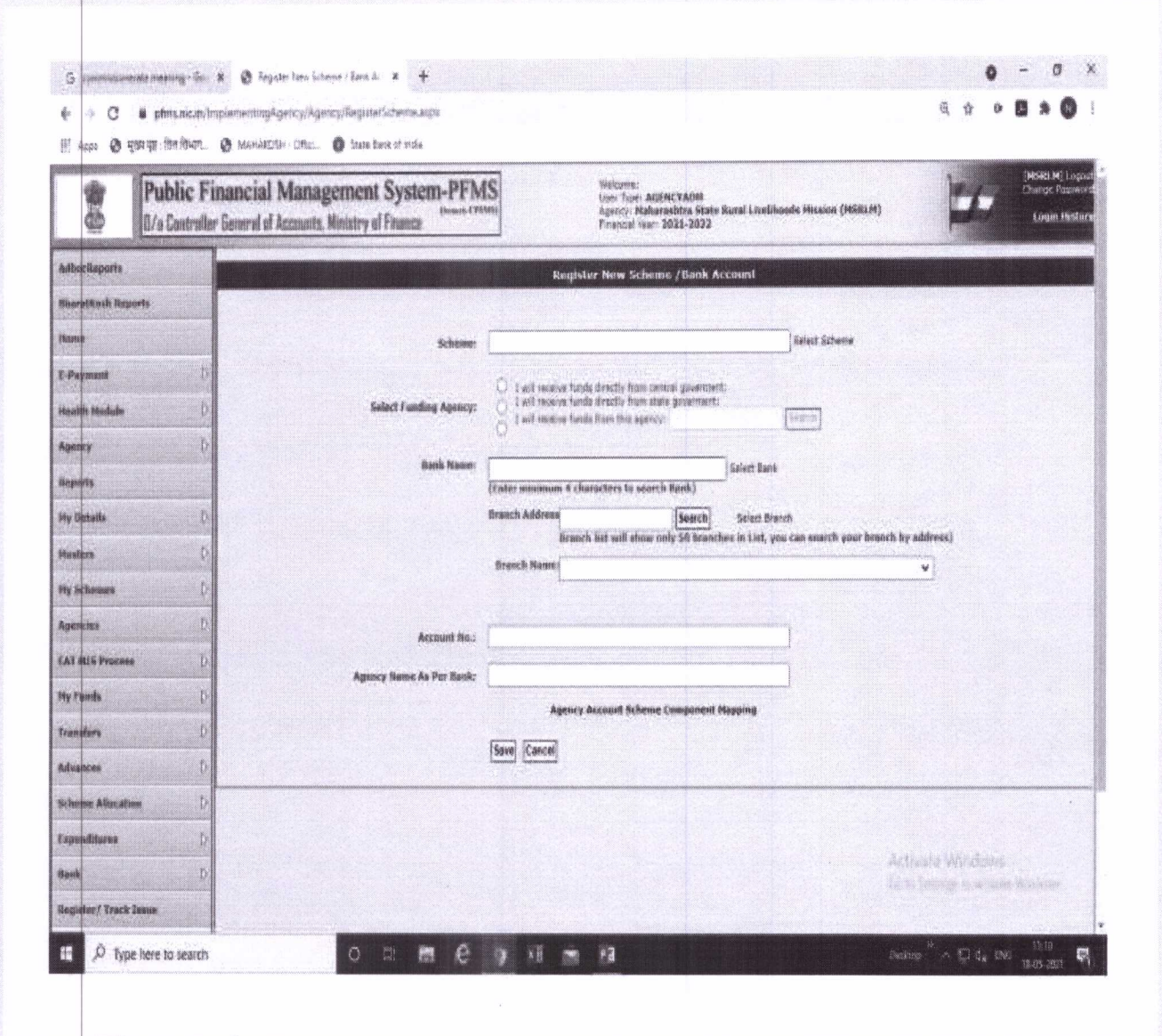
### **Contact details:**

Sh. Prabhash Jha  
Mission Manager-Finance  
NMMU-NRLM, DoRD  
Contact: 011-23461789, Extension-2089  
Email: [jha.nrlm.mord@gmail.com](mailto:jha.nrlm.mord@gmail.com)

Sh. V.P. Bhatt- Under Secretary-PMFME  
Contact: 011-26406612, Extension-612  
Email: [vp.bhatt@gov.in](mailto:vp.bhatt@gov.in)

# Annexures

## Annexure-I



# Annexure-II

The screenshot displays a web application interface for registering a new scheme or bank account. The browser's address bar shows the URL: `pfms.nic.in/ImplementingAgency/Agency/RegisterScheme.aspx`. The page title is "Register New Scheme / Bank Account".

**Navigation Sidebar:**

- BharatKosh Reports
- Home
- E-Payment
- Health Module
- Agency
- Reports
- My Details
- Masters
- My Schemes
- Agencies
- EAT MIS Process
- My Funds
- Transfers
- Advances
- Scheme Allocation
- Expenditures
- Bank
- Register/ Track Issue
- Misc. Deduction Filing
- Utilisation Certificate
- Accounting System Integration

**Main Form Fields:**

- Scheme:** A dropdown menu with the text "Select Scheme".
- Select Funding Agency:** Three radio button options:
  - I will receive funds directly from central government:
  - I will receive funds directly from state government:
  - I will receive funds from this agency: [Text Input Field] [Search]
- Bank No.:** A modal window with a "close" button. It contains:
  - Agency Name:** [Text Input Field]
  - Agency Unique Code:** [Text Input Field]
  - State:** [Dropdown Menu: -Select-]
  - District:** [Dropdown Menu: -Select-]
  - [Search] button
- Account:** A section labeled "Agency Name As Per B" with a list of funding agencies:
  - COMMISSIONER, MUNICIPAL CORPORATION, CHENNAI
  - Commissioner-cum-Secretary, UD Department, Government of Arunachal Pradesh, Arunachal Pradesh
  - Intelligent Communication Systems India Ltd. New Delhi
  - Natural Resource Management and Common Wealth
  - Society For Science & Environment, Research, Communication & Heritage(SEARCH)
  - DEPUTY COMMISSIONER LOHIT
  - DEPUTY COMMISSIONER WEST SIANG
  - DEPUTY COMMISSIONER LOWER DISANG VALLEY
  - DEPUTY COMMISSIONER BARPETA
  - DEPUTY COMMISSIONER CACHAR
  - DEPUTY COMMISSIONER DARRANG
  - DEPUTY COMMISSIONER DHUBRI
  - DEPUTY COMMISSIONER DIBRUGARH
  - DEPUTY COMMISSIONER JORHAT
  - DEPUTY COMMISSIONER KAMRUP
  - DEPUTY COMMISSIONER KARBI ANGLONG
  - DEPUTY COMMISSIONER KOKRAJHAR
  - DEPUTY COMMISSIONER LAKHIMPUR
  - DEPUTY COMMISSIONER NOWGONG
  - DEPUTY COMMISSIONER NALSARI

**System Information:**

- Windows taskbar: "Type here to search", system tray icons, and system clock showing "10:16 14-05-2021".
- Active Windows watermark: "Activate Windows. Go to Settings to activate Windows."

# Annexure-III

Public Financial Management System-PFMS  
 (www.PFMS.in)  
 O/o Controller General of Accounts, Ministry of Finance

Website: AGENCY/ADM  
 User Type: Maharashtra State Rural Livelihoods Mission (MSRLM)  
 Agency: Maharashtra State Rural Livelihoods Mission (MSRLM)  
 Financial Year: 2020-2021

MSRLM | User: Change Password | Login/History

Manage Funds Received From Other Agency

Schemes: MH03 - MH-PM FORMALIZATION OF MICRO FOOD PROCESSING ENTERPRISES (PM-FME) | Bank Account: 400119W185 - CEG, MAHARASHTRA STATE RURAL LIVELIHOODS MISSION - STATE BANK OF INDIA | Status: Received

Search

Selected Funds

Scheme Name	Sanction Number	Sanction Date	Amount	Transferring Agency	ProjectName	Status
MH-PM FORMALIZATION OF MICRO FOOD PROCESSING ENTERPRISES (PM-FME)	12440 / PMFME/MSRLM/2020 CAPITAL EXP. FUND	11/07/2021	62417000.00	Commissionerate of Agriculture		Received
MH-PM FORMALIZATION OF MICRO FOOD PROCESSING ENTERPRISES (PM-FME)	12440 / PMFME/MSRLM/2020 CAPITAL EXP. FUND	11/05/2021	6210000.00	Commissionerate of Agriculture		Received
MH-PM FORMALIZATION OF MICRO FOOD PROCESSING ENTERPRISES (PM-FME)	12440 / PMFME/MSRLM/2020 CAPITAL EXP. FUND	11/07/2021	4070000.00	Commissionerate of Agriculture		Received

Active Windows: 0  
 CPU Settings: 0% / 0% / 0%

Type here to search

Desktop | 1620 | 18.05.2021