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M.S.M.E DEPARTMENT

NOTIFICATION

The 12th February 2021

No. 1185—PT9-MSME-FP-MSME1-0015/2020-MSME.—The Governor of Odisha has been pleased to make the following Operational Guidelines on “Top-up Subsidy Scheme by the State Government under Prime Minister Formalization of Micro Food Processing Enterprises (PMFME)”: —

1. Short Title and Commencement :

(1) The guidelines may be called as the Operational Guidelines on “Top-up Subsidy Scheme by the State Government under Prime Minister Formalization of Micro Food Processing Enterprises (PMFME)”.

(2) This shall be deemed to come into force with immediate effect from the date of notification.

2. Extent :

It shall extend to the whole of the State of Odisha.

3. Introduction :

Prime Minister Formalization of Micro Food Processing Enterprises (PMFME) is an all India centrally sponsored scheme launched by Ministry of Food Processing Industries (MoFPI), in partnership with the States for providing financial, technical and business support for upgradation of existing micro food processing enterprises. The aim of the scheme is to enhance the competitiveness of existing individual micro enterprises in the unorganized segment of the food processing industry and promote formalization of the sector.

The scheme adopts One District One Product (ODOP) approach to reap benefit of scale in terms of procurement of inputs, availing common services and marketing of products. The States would identify food product for a district keeping in view the existing clusters and availability of raw material, with respect to support to existing micro units for capital investment, preference would be given to those producing ODOP products. However, existing units producing other products would also be supported. New units for individual enterprises would only be supported for ODOP products.

The major components of support to the enterprises are :—

- (a) Credit Linked Subsidy support for the micro enterprise : Micro food processing units desirous of upgradation of their unit can avail credit-linked capital subsidy @ 35% of the eligible projects cost with a maximum ceiling of Rs. 10.00 lakh per unit. The beneficiary contribution should be minimum 10% and the balance should be loan from a Bank.
- (b) Capacity Building/Training support for the micro enterprise : Training support would be provided to units that are being provided support for capital investment. In addition, training support would also be provided to other existing units in the districts that are processing ODOP products. The focus areas for capacity building under the scheme : Entrepreneurship development, essential functions of enterprise operations, marketing, book keeping, registration, FSSAI standards, Udyog Aadhaar, GST registration, general hygiene, etc. Specific training designed for ODOP product or the product produced by the unit including operations of necessary machines, hygiene issues, packaging, storage, procurement, new products development etc.

The MSME Department is the Nodal Department and Director of Industries is State Nodal Officer to oversee the implementation of the scheme. APICOL (Agricultural Pomotion and Investment Corporation of Odisha Ltd.), the State Nodal Agency (SNA), is the operational agency in the State for implementing the scheme.

It is felt in the wake of present pandemic situation of COVID-19 that the micro food processing enterprises are facing problem in formalization of products as well as marketing. In order to facilitate the credit linkage with Banks and lessen the loan burden of the Promoter's, the Government of Odisha declared a Scheme christened as "TOP-up Subsidy Scheme" under PMFME.

4. Objectives :

The scheme is to provide Top-up subsidy @15% of project cost to all individual / SHGs / FPOs/ Co-operatives in micro food processing enterprises after availing finance and credit-linked capital subsidy @ 35% under PMFME.

5. Applicable Period :

Period of Top-up subsidy @15% of project cost under PMFME shall be extended for the Financial Year 2020-21. Extension of the scheme for further period may be decided by the State Government considering the pandemic COVID-19 situation.

6.1 Funds Management :

(a) APICOL (SNA) in consultation with RICs / DICs and all other Sponsoring Agencies, Director of Agriculture & Food Production, Director of Fisheries, Director of Horticulture, Director of AH & VS, Director of Mission Shakti, CEO,ORMAS will estimate the requirement of funds and furnish the requisition to the MSME Department/ Director of Industries, Odisha for placement of funds well in advance for the year.

(b) The State Government in MSME Department will place the funds with Directorate of Industries, Odisha, who ultimately transfer the required funds to APICOL (SNA) for further release to RICs/ DICs as per requirement.

7. Procedure :

(a) The Financing Bank Branch will intimate the amount of Top-up Subsidy to the Regional Industries Centre (RIC) / District Industries Centre (DIC) irrespective of Sponsoring Agency in the prescribed format enclosed in Annexure-I.

(b) General Manager, Regional Industries Centre (RIC) / District Industries Centre (DIC) are required to obtain approval in DLC under PMFME to decide & deposit the Top-up Subsidy towards additional subsidy so provided by State Govt., as applicable, in Financing Bank Branch against the beneficiary loan account under due intimation to the beneficiary.

(c) After a period of three years from the disbursement of last tranche of the loan, the beneficiary account is still standard and the unit is operational, this Top-up Subsidy would be adjusted in the bank account of the beneficiary. If the account becomes NPA prior to three years from the date of disbursement of the loan, the Top-up Subsidy would be adjusted by the Bank towards repayment by the beneficiary. If the Top-up Subsidy is adjusted after three years against the loan amount in case of standard account, no interest would be payable by the borrower on the portion of the loan disbursed by the Bank equal to the Top-up Subsidy amount from the date of receipt of the Top-up Subsidy by the lending bank.

(d) After disbursement of loan instalment(s) and grounding of the Project/ Commencement of production / operation, concerned RIC / DIC and the Financing Bank Branch, jointly, will intimate the utilization of Top-up Subsidy to Directorate of Industries.

8. Utilization & Audit :

RIC / DIC will submit certificate of utilization of funds under Top-up Subsidy to the Directorate of Industries, Odisha in the form prescribed under OGFR. The consolidated Utilization Certificate against the utilized funds will be submitted by Directorate of Industries, Odisha to the MSME Department and A.G.Odisha. The A.G., Odisha, on receipt of such reports will cause audit of the accounts.

9. Maintenance of Records :

The receipt, deposit in the beneficiary loan account in the Bank Branch, utilization etc. of Top-up Subsidy shall be monitored electronically at RIC / DIC, Financing Bank, Directorate of Industries, Odisha Level.

10. Recovery :

In case the enterprise fails to commence production / operation except force majeure / natural calamity / pandemic or for the reasons beyond control of the beneficiary or in case the Banks advance goes 'bad', or if the information furnished by the beneficiary is found to be false / incorrect/ misleading or misrepresented and there has been suppression of facts/ materials or paid in excess of the amount actually admissible for whatsoever reason, the Top-up Subsidy shall be recovered by the Financing Bank from the beneficiary under the provision of OPDR Act as arrears of land revenue and paid back to the Government in MSME Department through RIC/DIC & Director of Industries, Odisha.

11. Miscellaneous :

(a) RIC / DIC / Directorate of Industries, Odisha / Financing Bank Branch may inspect the assisted project, if felt necessary.

(b) Any change in facts or circumstances affecting the eligibility of the enterprise shall be intimated by all Sponsoring Agencies / Financing Bank / beneficiary him/herself immediately to the RIC / DIC / Directorate of Industries, Odisha.

12. This has been concurred in by Finance Department and communicated vide their File No. FIN-ES2-MISC-0036-2020.

By order of the Governor

SATYABRATA SAHU

Principal Secretary to Government

Claim for Top-up Subsidy under PMFME for Micro Food Processing Enterprises

(Individual / SHGs / FPOs / Co-operatives)

(To be furnished by the Financing Bank Branches / Financial Institutions)

1. Name of the Bank Branches / Financial Institutions :
2. IFSC :
1. Name & address of the Enterprise :

Name	:
Address	:
Vill / Post	:
Block	:
Dist.	:
PIN.	:
Mail-id	:
2. Contact person of the enterprise with Mobile No. :
3. Bank A/c No. :
4. Nature of activity :
5. Date of sanction of loan (enclose copy of sanction order) :
6. Project cost (approved by Bank) :

Term Loan	Working Capital Loan
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7. Disbursement details :

Term Loan	Working Capital
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8. Present status of the enterprise :
9. Whether claimed for subsidy @ 35%, if so, amount & date :
10. Amount admissible for availing Top-up Subsidy @ 15% of approved project cost :

We certify that the claim for Top-up Subsidy of Rs.....(in words)as shown above are true & correct to best of our knowledge & belief.

Signature of Branch Manager of Financing Branch

Date :

To

- (1) General Manager, RIC / DIC.....
- (2) Beneficiary Enterprise under PMFME.