



# Seed Capital Module for SHGs

## Why in News

Recently, the **Ministry of Food Processing Industries** has launched the **Seed Capital Module** under [Pradhan Mantri Formalisation of Micro food processing Enterprises](#) (PMFME) to help [Self Help Groups \(SHGs\)](#).

## Key Points

### ▪ About:

- It was launched on **Deendayal Antyodaya Yojana-National Urban Livelihoods Mission** (DAY-NULM) MIS (Management Information System) Portal for seed capital assistance to members of urban Self Help Groups working in the [food processing sector in India](#).
- The **seed capital portal can be accessed for SHGs** to avail the seed capital assistance.
  - Seed capital is the **money raised to begin developing an idea for a business or a new product**.
- SHGs will be sensitized and motivated about the PMFME scheme **to avail the benefits of seed capital** for purchasing small tools and working capital.

### ▪ PMFME Scheme

- It is a [Centrally Sponsored Scheme](#) that was launched under the [Atmanirbhar Bharat Abhiyan](#).
- It aims to **enhance the competitiveness of existing individual micro-enterprises in the unorganized segment** of the food processing industry and **promote formalization of the sector** and provide support to [Farmer Producer Organizations](#), Self Help Groups, and Producers Cooperatives along their entire value chain.
- With an outlay of Rs.10,000 crore over a period of five years from 2020-21 to 2024-25, the scheme **envisions to directly assist the 2,00,000 micro food processing units for providing financial, technical, and business support** for upgradation of existing micro food processing enterprises.

### ▪ Benefits under PMFME Scheme:

- Capital **assistance of Rs. 40,000 per SHG member**.
- **Credit linked subsidy** for capital investment **up to 35% with a ceiling of Rs. 10 lakh**.
- **Credit linked grant** support **up to 35%** for establishing common infrastructure.
- Handholding support for DPR (Detailed Project Report) preparation.
- Capacity building and **training support**.

### ▪ Other Schemes Related to SHGs:

- [Government e-marketplace](#).
- [Agriculture Infrastructure Fund](#).
- [Pradhan Mantri Matsya Sampada Yojana \(PMMSY\)](#)
- [Ambedkar Hastshilp Vikas Yojana \(AHVY\)](#)
- [North East Rural Livelihood Project](#).

- **Mahila e-haat**
- [Women Entrepreneurship Platform \(WEP\)](#).

## DAY-NULM

- It is **Centrally Sponsored Scheme**, launched in 2014, aims to **uplift urban poor by enhancing sustainable livelihood opportunities** through skill development.
- Its intended beneficiaries are **urban poor (street vendors, slum dwellers, homeless, rag pickers), unemployed and differently-abled**. It provides skill training and employment to these people.
  - It also provides subsidies to urban poor i.e. interest subsidy of 5% - 7% for setting up individual micro-enterprises with the loan of up to 2 lakhs and for group enterprises with a loan limit of up to Rs.10 lakhs.

**Source: PIB**

PDF Reference URL: <https://www.drishtiias.com/printpdf/seed-capital-module-for-shgs>

