



PRADHAN MANTRI MATSYA Sampada YOJANA



Guidelines

on

Formation and Promotion of Fish Farmer Producer Organizations (FFPOs)

Government of India

Ministry of Fisheries, Animal Husbandry & Dairying

Department of Fisheries

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List of Abbreviations

AAP	Annual Action Plan
AGM/EGM	Annual General Meeting/Extraordinary General Meeting
ASCI	Agriculture Skill Council of India
BBA	Bachelor of Business Administration
BIRD	Bankers Institute of Rural Development
BoD	Board of Directors
CA	Chartered Accountant
CAC	Central Apex Committee
CBBO	Cluster Based Business Organization
CEO	Chief Executive Officer
CFC	Custom Facilitation Centre
CGF	Credit Guarantee Facility
CHC	Custom Hiring Centre
CS	Central Sector Scheme
CSS	Centrally Sponsored Scheme
DAY-NRLM	Deendayal Antyodaya Yojna - National Rural Livelihood Mission
DFO	District Fisheries Officer
DLC	District Level Committee
DoACFW	Department of Agriculture, Cooperation and Farmers Welfare
DoF	Department of Fisheries
DPR	Detailed Project Report
EEZ	Exclusive Economic Zone
EG	Equity Grant
ELI	Eligible Lending Institution
e-NAM	e-National Agriculture Market
FFPO	Fish Farmer Producer Organizations
FIDF	Fisheries and Aquaculture Infrastructure Development Fund
FPO	Farmer Producer Organization
FY	Financial Year
GB	Governing Body
GoI	Government of India
GVA	Gross Value Added
IA	Implementing Agencies
ICAR	Indian Council of Agricultural Research
IT	Information Technology
KVK	Krishi Vigyan Kendra
LINAC	Laxman Rao Inamdar National Academy for Co-operative Research and Development
MANAGE	National Institute of Agricultural Extension Management
MIS	Management Information System
MoAFW	Ministry of Agriculture and Farmers Welfare

MoFAHD	Ministry of Fisheries, Animal Husbandry and Dairying
MoFPI	Ministry of Food Processing and Industries
MoU	Memorandum of Understanding
NABARD	National Bank for Agriculture and Rural Development
NCDC	National Cooperatives Development Corporation
NFDB	National Fisheries Development Board
NIRD	National Institute of Rural Development
PAC	Project Appraisal Committee
PFZ	Potential Fishing Zone
PMEU	Project Monitoring and Evaluation Unit
PM-FME	Food Micro-Enterprise Scheme
PMMSY	Pradhan Mantri Matsya Sampada Yojana
PM-SAMPADA	Pradhan Mantri Kisan Sampada Yojana
RKVY	Rashtriya Krishi Vikas Yojana
RTC	Regional Training Centre
SC	Scheduled Cast
SCP	Self-Contained Proposal
SFAC	Small Farmers Agriculture Consortium
ST	Scheduled Tribe
TA/DA	Travelling Allowance/Dearance Allowance
UT	Union Territory

1. Introduction

- 1.1. India is the third largest fish producing country in the world and accounts for 8% of the global production. The Fisheries sector of India has made notable strides and has sustained an impressive average annual growth rate of 10.87% from FY 2014-15 to FY 2018-19. Subsequently, the sector has been recognized as a powerful source of both income and employment as it not only provides affordable and nutritious food to the nation, but also stimulates the growth of a diverse range of subsidiary and allied industries.
- 1.2. The contribution of the fisheries sector to National Gross Value Added (GVA) during the year 2018-19 stood at Rs 2,12,915 crores (current basic prices) which constituted 1.24% of the total National GVA and 7.28% share of Agricultural GVA.
- 1.3. On the global front, the export of marine products showed an impressive average annual growth rate of about 10% in recent years, valued at Rs. 46,662 crores (USD ~6.73 billion) during the year FY 2019-20.
- 1.4. The livelihood opportunities provided by this sector have been instrumental in sustaining incomes for over 28 million people in India, especially for marginalized and vulnerable communities, and have contributed towards engendering meaningful socio-economic development.

2. Pradhan Mantri Matsya Sampada Yojana (PMMSY)

- 2.1. Recognizing the importance and potential of the fisheries sector, the Government of India launched a flagship scheme, Pradhan Mantri Matsya Sampada Yojana (PMMSY), in May 2020 with a vision to bring about Blue Revolution through sustainable and responsible development of fisheries sector in India at an estimated investment of Rs. 20050 crores comprising of (i) Central share of Rs. 9,407 crores, (ii) State share of Rs. 4880 crores and (iii) Beneficiaries share of Rs. 5763 crores under two separate components namely (a) Central Sector Scheme (CS) and (b) Centrally Sponsored scheme (CSS).
- 2.2. PMMSY will be implemented over a period of five years from FY 2020-21 to FY 2024-25 in all States/Union Territories and will ensure socio-economic development of fishers, fish farmers and fish workers with an aim to double their incomes.
- 2.3. As announced in the Union Budget 2020, 500 Fish Farmers Producer Organizations/Companies (FFPOs/Cs) would be set up to economically empower the fishers and fish farmers and enhance their bargaining power. Out of this 300 will be set

up under PMMSY and remaining 200 through convergence with Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture and Farmers Welfare under their ongoing FPO Scheme.

- 2.4. The Department will further strive to take this forward towards establishment of 720 FFPOs in convergence with Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture and Farmers Welfare and other schemes and programs of centre and states wherever possible.

3. Need for FFPOs

- 3.1. Under PMMSY, key interventions will be undertaken with the aim of enhancing fish production and productivity, modernizing and strengthening the value chain, developing robust fisheries management and regulatory frameworks and securing fisher's welfare by driving higher returns to all stakeholders.
- 3.2. However, a majority of fish farmers in the fisheries sector are small and marginal. Due to low individual volumes, these farmers face a range of issues, such as limited investments for increasing the scale of production and corresponding credit facilities, lack of access to quality seed and feed and low access to markets, which thereby lead to lower profit margins. Further, due to the presence of a number of intermediaries between produce to market, the primary producer may receive only a small part of the value that the ultimate consumer pays.
- 3.3. Increasing fish farmers' incomes primarily requires two kind of interventions – first, organisation of fish farmer groups that are collectively able to enhance their bargaining power by achieving economies of scale, and second, through exploring alternate sources of revenue by diversification of produce.
- 3.4. Collectivisation of producers, especially small and marginal farmers, into producer organisations like FPOs has emerged as one of the effective pathways to address various challenges in agriculture and allied sectors, while improving access to investments, technology, inputs, credit and markets.

4. Definition of FFPO

- 4.1. In accordance with the legislation enacted after its passing by the Parliament (e.g. Sec 2 (d) of The Farmers' Produce TCFC Act 2020) Fish Farmers Producer Organization (FFPO) is a generic name, which means an association or group of fishers or fish farmers or of fisheries stakeholders, with the primary objective of carrying out sustainable fisheries value chain business by whatever name called,
 - (i) registered under any law for the time being in force; or
 - (ii) promoted under a scheme or programme supported by the Central or

5. Aims and Objectives

- 5.1. In alignment with the larger mandate of PMMSY, the primary objectives of developing Fish Farmer Producer Organisations have been envisioned to:
- (i) Economically empower the fishers and fish farmers and enhance their bargaining power by achieving economies of scale.
 - (ii) Enhance productivity through efficient, cost-effective and sustainable resource use.
 - (iii) Realize higher returns for fishers and fish farmers through better liquidity and remunerative market linkages for their produce.
 - (iv) Build capacities of fishers and fish farmers to develop entrepreneurial skills for making the FFPOs economically viable and self-sustaining.
 - (v) Develop vibrant and sustainable income-oriented fisheries value chains.

6. Broad Services and Activities to be undertaken by FFPOs

- 6.1. The FFPOs may provide and undertake following major services and activities across the fisheries value chain:

Production and Productivity:

- 6.1.1 Supply of quality inputs like seed, fingerlings, brood stock, fish feed, fishing nets and such other inputs for production at reasonable rates.
- 6.1.2 Undertake Pond Culture, Pen Culture, Cage culture, RAS, Raceways, Bio-floc etc. related fish culture activities for both inland and marine regions.
- 6.1.3 Dissemination of Technology, Quality control and other fisheries related activities and innovations.
- 6.1.4 Undertake aggregation of smaller lots of farmer-members produce.

Post-Harvest Management and Infrastructure:

- 6.1.5 Make available need-based production and post-production machinery and equipment like storage – Ice flakes, ice boxes, and transportation/logistic support – reefer vans, insulated cargo and such other machinery and equipment on custom hiring basis for members to reduce the per unit production cost.
- 6.1.6 Make available services offering value addition like cleaning, assaying, sorting, grading, packing and also fish farm level processing facilities at user charge basis at a reasonably cheaper rate.
- 6.1.7 Undertake high value addition / processing units for better price realization and exports.

- 6.1.8 Traceability related interventions can also be proposed by FFPOs.
- 6.1.9 Undertake higher income generating activities like cold chain development, seed/brood stock production, ornamental fisheries, seaweed cultivation, cold water fisheries, fish kiosks, aquarium manufacturing etc.
- 6.1.10 Undertake any activity (including but not limited to microfinance, e-market, technical support, repairs and maintenance services for boats, motors, cold chain, reefer transport etc.) associated with fisheries supply chain as door-step support

Marketing and Branding:

- 6.1.11 Branding, packaging, leveling, standardization of products.
- 6.1.12 Market the aggregated produce with better negotiation strength in marketing channels offering better and remunerative prices.
- 6.1.13 Facilitate market information about the produce for educated decision-making in production and marketing. FFPOs may also undertake operation of fish vending kiosks at various urban centers.
- 6.1.14 Development of fish and fisheries related products / by-products and tie ups for domestic and export sales

The above list is illustrative and the FFPOs may take up other feasible activities within the framework of PMMSY.

7. Size and Composition of FFPOs

7.1. The membership size of the FFPOs will be determined as follows:

- (a) *Plains*: Minimum member-size of **100** shall be eligible
- (b) *Hilly* and North Eastern regions*: Minimum member-size of **35** shall be eligible

7.2. However, the Implementing Agencies should within a period of 2 years from the date of inception/creation of FFPOs will make efforts to enhance the membership to 300 in plain areas and 100 in Hilly and North-Eastern regions.

7.3. Further, the Implementing Agencies should make efforts to further enhance the membership to the size of 500 fishers and fish farmers in plain areas and 200 in Hilly and North-Eastern regions to make them sizeable for economic sustainability and profitability in accordance with the 10,000 FPOs Scheme being implemented by the Department of Agriculture, Cooperation and Farmer's Welfare, Ministry of Agriculture and Farmer's Welfare.

7.4. **Composition of FFPO:** The FFPOs may comprise of,

- Fishers
- Fish Farmers
- Fish Workers and Fish Vendors

- Fisheries entrepreneurs
- Or any other person(s) associated with fisheries sector as decided by Dept of Fisheries, Government of India.

7.5. Special focus may be laid on inclusion of small and marginal fish farmers, SCs, STs, women and other economically weaker categories to enhance social inclusion.

**Hilly areas means area at a height of 1000 meters or above the Mean Sea Level*

8. Strategy for FFPO formation

8.1. Formation and promotion of FFPO is based on Fisheries Business Cluster Area, which is broadly defined as follows:

“Fisheries Business Cluster Area” for the purpose of FFPO formation, promotion, operations and management herein means a geographical area wherein a fisheries related business can be formed for leveraging economies of scale in the entire fisheries value chain in a sustainable manner. Thus, potential growth clusters will be identified in order to enhance competitiveness of the fisheries sector, facilitate economies of scale, generate higher incomes and accelerate growth and expansion of the sector in an organized manner.

8.2. The Fisheries Business Cluster Area is to be identified by the Cluster Based Business Organization (CBBO), with approval of the implementing agency, which has engaged the CBBO and in consultation with respective State Government / UT Administration Departments concerned. CBBOs will undertake Feasibility Studies which will have two components:

- (i) **Diagnostic study including baseline survey** to determine produce similarity, existing gaps and potential activities, interventions in terms of infrastructure, services, etc. required in the fisheries business value chain including inputs, production, harvesting, processing, cold chain, quality assurance, branding, packaging, market linkages, credit linkages, exports, use of technology etc. Baseline survey should also identify current situation of small and marginal fish farmers, SC/ST and landless farmers for aggregation to identify minimum geographic area for potential interventions etc.
- (ii) **Business Plan** in order to establish a fit case for formation of an economically viable FFPO in a sustainable manner.

8.3. The FFPOs can federate at the District and State level based on their need of business aggregation and scaling up pertaining to fisheries value chain, but not limited to inputs,

production, harvesting, processing, cold chain, quality assurance, branding, packaging, market linkages, credit linkages, exports, use of technology etc. which are essential for growth, while maintaining competitiveness. Based on their need and business success, they can federate at the National level to promote fisheries business in India and abroad.

- 8.4. Concerted efforts will be made to prioritize formation of FFPOs in aspirational districts having fisheries potential through intense awareness programmes and adequate support, handholding, training & skill development.
- 8.5. Efforts will be made to form and promote at least 1 FFPO in each of the 112 identified high fisheries potential districts during the scheme period.
- 8.6. Intensive efforts will be made to prioritize formation and promotion of FFPOs in the tribal areas in the country for extending benefits of quality inputs, technology, credit and value addition and processing as well as better market access through the Scheme.
- 8.7. Existing FFPOs (includes fisheries primary cooperatives) may avail relevant benefits under this sub-component of PMMSY including advisory services from CBBO and the Implementing Agency which is interested in supporting them. Such FFPOs, will also be supported in imparting technical and managerial training to their BoDs and CEOs to implement the business plan etc., as may be decided by DoF. The FFPOs including fisheries primary cooperatives which are already registered but have not yet started business operations will also be covered for this purpose.

9. Implementing Agencies (IA)

- 9.1. In order to form and promote FFPOs in a uniform and effective manner and to make the FFPOs economically sustainable, the following implementing Agencies (IAs) will be responsible:
 - (i) State/UT Fisheries Departments and their entities
 - (ii) National Fisheries Development Board (NFDB)
 - (iii) Small Farmers Agriculture Consortium (SFAC)
 - (iv) National Cooperatives Development Corporation (NCDC)
 - (v) National Bank for Agriculture and Rural Development (NABARD)
- 9.2. The responsibility will be determined as follows:
 - (i) **SFAC** will form and promote FFPOs which are to be incorporated under Part IX A of Companies Act.

- (ii) **NCDC** will form and promote FFPOs which are to be registered under any Cooperative Societies Act of the States.
- (iii) **NABARD, NFDB and State/UT Fisheries Departments and their entities** will form and promote FPOs which are to be registered either under Part IX A of Companies Act or registered under any Co-operative Societies Act of States.

9.3. Dept. of Fisheries, (DoF), Govt of India may, in due course, identify and assign other additional Implementing Agencies (IA) to cover various sectors and geographical locations to form and promote FFPOs. On application by the respective Ministry/Department, DoF will consider the proposal on merit in terms of (i) its experience in formation and promotion of FFPOs, which should have minimum experience of not less than one year; and (ii) its presence in the geography and sector of operation. Based on the norms and after due consideration, DoF will designate the proposed organization/ agency as additional Implementing Agency. Based on sectoral and geographical needs, DoF can relax the norms for designating additional Implementing Agencies.

9.4. Duties and Responsibilities of Implementing Agencies:

- (i) Implementing Agencies will closely and cohesively work with CBBOs to ensure that CBBOs perform their activities to make FPOs economically sustainable.
- (ii) Implementing Agencies will monitor and supervise the functioning of CBBOs.
- (iii) Implementing Agencies in consultation with DOF will formulate rating tools for FFPOs to assess them in terms of level of activity, economic viability and sustainability, etc. The rating of the FFPOs can be used as an instrument to promote FFPOs.
- (iv) Implementing Agencies will endeavor to make their software inter-operable with integrated portal, if they develop their own independent software with respect to FFPOs.

10. Cluster Based Business Organizations (CBBOs)

10.1. The Cluster Based Business Organisations will be empaneled by the Implementing Agencies. The Implementing Agencies will apply due diligence to ensure that professionally competent CBBOs are transparently engaged & have experience in promotion and professional supports to FFPOs.

10.2. Implementing Agencies will support Cluster Based Business Organizations (CBBOs) at the State/UT or Cluster level to form and promote FFPOs.

- (i) In a State, based on geography, fisheries clusters etc., there may be one or more than one CBBO. Even one CBBO may serve more than one State/UT as per requirement. However, CBBOs should be given work according to available

human resources with them, their past turnover and work experience etc.

- (ii) The CBBOs should have professional experience and exposure in the formation of FFPOs in fisheries and allied sector and should provide handholding support to them. Implementing Agencies may engage a consortium of requisite professionals where such organizations are not available.
- (iii) The CBBOs should be supported with five categories of specialists from the domains of:
 - Fisheries Business Operations
 - Fisheries Post-Harvest Management
 - Social Mobilization
 - Law and Accounts
 - Fisheries / Agri-Marketing with IT/MIS Skills
- (iv) The CBBO with requisite number of other technical and supporting staff to be housed/operated from their own offices in respective States/UTs or from offices of respective Implementing Agencies, which have selected them.

10.3. Criteria for Identification of CBBOs:

- i. The professional organization to be identified to function as CBBOs will be selected following a transparent method and the organization may be required to demonstrate such technical strength as is reasonably required for discharging its role as envisaged.
- ii. A Committee Co-chaired by Joint Secretaries Inland and Marine fisheries of Department of Fisheries, Govt of India with representatives of NFDB, NABARD, NCDC, SFAC, representative of Dept of Agriculture, Cooperation and Farmers Welfare and Director in-charge of PMMSY will consider and recommend the criteria of eligibility and qualifications and other minimum requirements to select the CBBOs taking into consideration the fisheries sectoral needs. The Committee may consider minimum requisite qualifications and experience of requisite experts of CBBO, area of expertise and minimum experience as well as net worth of organization to be selected as CBBO. The finalization of the criteria for selection will be with the approval of Dept of Fisheries, Govt of India.
- iii. Each Implementing Agency will then draw up the list of empaneled CBBOs for engagement by them in any cluster as may be necessary.
- iv. The initial engagement of CBBOs will be for a period of maximum three years for the purpose of formation of new FFPOs (for which they will continue handholding the concerned FFPO for the entire PMMSY scheme period). In case the performance of the CBBO is found satisfactory by Implementing Agency, their term may be extended appropriately which in any case will be coterminous with the PMMSY Scheme.

- v. Implementing Agency will review the performance of CBBOs from time to time for their continuation or otherwise to ensure that CBBOs perform efficiently in formation and promotion of FFPOs.
- vi. Interested State and Central Government Agriculture Universities and KVKs promoting FFPOs may be empaneled as CBBOs as may be relevant on the recommendations of Central Apex Committee (CAC) of PMMSY on nomination basis.

10.4. Duties and Responsibilities of CBBOs:

- i. Assist in the implementation of the scheme as suggested by the Implementing Agency as per the scheme guidelines.
- ii. Assist Implementing Agency in cluster identification
- iii. Assist in community mobilization – baseline survey, cluster finalization, value chain study, formation of groups and FFPO/Cs and assist in their periodic meetings. They may seek the assistance of Local Bodies, wherever feasible in identification of proper produce cluster and mobilization of members.
- iv. Registration of FFPOs/Cs and Training of Board of Directors (BOD) on roles, responsibilities, management and also capital/ equity mobilization.
- v. Training and capacity buildings of FFPOs/farmer groups – Training needs identification, develop training modules; conduct basic training workshops; exposure visits, on-line training, webinars etc.
- vi. Encourage and promote social cohesiveness amongst members of FFPOs
- vii. Preparation and execution of Business Plans – Business plan preparation (for different incubation services), facilitate in acquiring land, if required.
- viii. Assist in regular interface with stakeholders like various government departments, Financial Institutions, training and Research and Development institutions at the cluster level.
- ix. Assist FFPOs in mobilizing/availing Equity grant and Credit guarantee facility as per need and growth.
- x. Incubation/handholding services for sustainability – Provide support and monitoring in terms of incubation activities; capacity building of BODs and FFPO Management for sustainability. The incubation/handholding services include ensuring inputs, credit, market linkages, preparing and implementing related business plans.
- xi. Facilitate establishment of necessary common pool production, marketing and processing infrastructure facility by the FFPO, as may be necessary, to develop the business for long-term viability.
- xii. Facilitating traceability, certification and standards, international compliance and global market connectivity.
- xiii. Review and Monitoring of the field team during implementation as per desired outcomes.
- xiv. Assist in communication and dissemination of information to fishers and fish farmers by way of market advisory.

- xv. Progress report on all specified target activities to be submitted periodically to the Implementing Agencies.
- xvi. Ensuring programme/project targets are met.
- xvii. Assist in compliance issues of FFPO including their capacity building in the subject
- xviii. Assist Implementing Agencies in data collection and generating MIS reports/information in the required data sheets.
- xix. Assist Implementing Agency in rating of FFPOs as may be necessary.
- xx. Assist in federating FFPOs when necessary for business growth and expansion.
- xxi. Assist FFPO in proper financial management and utilization of fund and accounting and timely submission of returns and certificates.
- xxii. Any other activity related to implementation, management and monitoring of the project.

10.5. Payment to CBBOs

- 10.5.1. Payment will be made to the CBBOs by the Implementing Agencies.
- 10.5.2. Payment will be released after receiving the utilization certificate of the previously released amount.
- 10.5.3. Following indicative criteria/guidelines are provided for guidance of Implementing Agencies (IA) for performance assessment of CBBOs:
 - (i) In the first six months of an FFPO project, performance of the CBBOs will be assessed by the IAs based on the baseline survey report submitted and aggregation activities undertaken for FFPO formation and Institutional Training provided to CEOs/BoDs.
 - (ii) In the period from six months to one year, performance of the CBBOs will be assessed based on: (a) Number of FFPOs formed; (b) Number of farmers mobilized to become the members of FFPOs with minimum **membership of 100** in case of plain areas and **35 members** in case of North East and Hilly areas; (c) Registration of FFPOs; (e) formulation of Business Plan for FFPOs
 - (iii) In the second year, performance will be assessed based on (a) first equity grant availed by the FFPOs; (b) Statutory clearances obtained to carry out business activities; (c) Minimum 50% of business activities executed as per business plan; (d) Number of preliminary awareness programmes for member/Board of Directors (BoDs) and exposure visits of FFPOs undertaken; (e) First tranche of Equity Grant availed by FFPOs if any; (f) First tranche of Credit Guarantee Facility availed by FFPOs, if any; (g) Institutional Training provided to Chief Executive Officers (CEOs)/BoDs; (h) Registration of FFPOs in e-NAM platform and trading.
 - (iv) In third year, performance of the CBBOs will be assessed based on – (a) Issuing Share Certificates to each member in third year; (b) Audited Financial Statements for FFPOs for second year and third year in due time and filing as required; (c) MoU and vendor registration as per Business Plan with Marketing

Agencies/Institutional Buyers; (d) Increase in number of members of FFPO to 300 in Plains and 100 in Hilly and North-East Areas; (d) trading/uploading of produce of members in e-NAM, if any; (e) Second tranche equity grant to FFPOs, if any; (f) Second tranche of credit guarantee facility, if any .

- (v) In the final year of the scheme, performance of the CBBOs will be assessed based on: (a) UCs; (b) 100% of business plan executed and value chain developed; (c) Revenue model showing financial stability in last 3 consecutive years; (d) Detailed Project completion Report; (e) Third tranche of credit guarantee facility, if any.

11. Funding

11.1. Formation and promotion of FFPOs will be taken up under the Central Sector Scheme component of PMMSY with 100% central funding.

11.2. As per Union Budget 2020, the Department of Fisheries, Government of India will set up 500 Fish Farmers Producer Organisations. While formation and promotion of 300 FFPOs/Cs will be supported under PMMSY, efforts will be made to support the remaining 200 FFPOs/Cs through convergence with the 10,000 FPO scheme of Department of Agriculture, Cooperation and Farmers Welfare (DoACFW), Ministry of Agriculture and Farmers Welfare (MoAFW), wherever possible.

11.3. The FFPO funding is broadly outlined across three heads and is tabulated below in Table 1:

Table 1: FFPO Financial Support

S. No.	Particular	Funds (upper limit)
1	FPO Formation and Incubation Cost	Rs. 25 Lakh / FFPO
2	FPO Management Cost (up to 3 years)	Rs. 18 Lakh / FFPO
3	Equity Grant Provision	Rs. 15 Lakh / FFPO*

*The Equity Grant Provision will be in the form of matching grant up to Rs 2000/- per member of FFPO subject to a maximum limit of Rs 15 lakhs per FFPO on the lines of 10,000 FPO scheme of Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture and Farmers Welfare.

12. Mode of Implementation

12.1. State/UT Fisheries Departments and their entities

12.1.1. The State/UT Fisheries Departments and their entities will submit Annual Action Plans (AAPs) / Self-Contained Proposals (SCPs) to the Project Appraisal Committee (PAC) of PMMSY in NFDB.

12.1.2. The Project Appraisal Committee (PAC) of PMMSY in NFDB will scrutinize the AAPs/proposals and forward with its recommendations to the Central Apex Committee of PMMSY.

12.1.3. The CAC will consider the AAPs/proposals and recommend to Dept of Fisheries, Government of India for approval and release of funds to the State/UT Fisheries Departments and their entities.

12.2. Other Implementing Agencies

12.2.1. The IAs, viz. SFAC, NFDB, NCDC and NABARD will submit Annual Action Plans (AAPs)/Self-Contained Proposals (SCPs) to Project Monitoring and Evaluation Unit (PMEU) of PMMSY in the Dept of Fisheries, Government of India.

12.2.2. The PMEU with its recommendations will place the Action Plans/proposals before the Central Apex Committee (CAC) of PMMSY. The CAC will consider the AAPs/proposals and recommend to Dept of Fisheries, Government of India for approval and release of funds to the Implementing Agencies.

13. Release of Governmental Assistance

13.1.1. DoF will make the advance release to the Implementing Agencies (IAs) on a six monthly basis based on recommendation of CAC, Annual Action Plan (AAP) / Self-Contained Proposal (SCPs) of IAs and the due utilization certificate submitted to meet the expenses of:

- a. FFPO formation and incubation Cost to CBBO
- b. FPO management cost direct to concerned FFPOs/Cs account on recommendation of concerned CBBO
- c. Equity Grant direct to concerned FFPOs/Cs account

13.1.2. DoF will release funds to the implementing agencies basis the following pattern:

- (i) The Implementing Agencies will develop the payment schedule based on stages of functioning of FFPOs and component of payment involved.
- (ii) The Implementing Agencies will raise the demand to Dept. of Fisheries (DoF) for release of payment.

- (iii) The Implementing Agencies will submit utilization certificate of last payment released as per GFR for releasing the next payment to them.
- (iv) In case of training, NABARD and NCDC will submit to the CAC of PMMSY the training schedule for a year with tentative expenditure for training through specialized training institutes organized through their respective nodal training Institute.

13.1.3. Payment of Supervision charges to Implementing Agency (IA)

- (i) Implementing Agencies will be given 2.5% of total estimated annual expenditure in the form of supervision charges to meet the expenses incurred in discharge of their duties and responsibilities. This amount shall not include expenditure towards Equity Grant.

14. FFPO Formation & Incubation Cost

- 14.1. The cost towards formation and incubation of FFPOs shall be provided up to **Rs. 25 Lakh/FFPO or actual** whichever is less, for the PMMSY scheme period under which FFPOs are to be formed. It includes cost towards undertaking baseline survey, mobilization of farmers, organizing awareness programmes, conducting exposure visits and other overheads which includes the cost of CBBOs.
- 14.2. This also includes provisions for integrating the relevant data for FFPOs formed under PMMSY with the SFAC's Integrated Portal for DAC&FW's 10,000 FPO Scheme in accordance with **Section 21** of these guidelines.

15. FFPO Management Cost

- 15.1. Under the Scheme, financial support up to maximum of **Rs. 18 lakh/FFPO or actual**, whichever is less, shall be provided for three years from the year of formation. The financial support is not meant for reimbursing the entire administrative and management cost of FFPO, but it is to provide the financial support to the FFPOs to make them sustainable and economically viable. Hence, the fourth year onwards of formation, the FPO has to manage their financial support from their own business activities.
- 15.2. The indicative financial support broadly covers:
- (i) The support for salary of its CEO/Manager (maximum up to Rs.25000/month) and Accountant (maximum up to Rs. 10000/month)

- (ii) One-time registration cost (one time up to maximum Rs. 40000 or actual whichever is lower)
- (iii) Office rent (maximum up to Rs. 48,000/year)
- (iv) Utility charges (electricity and telephone charges of office of FPO maximum up to Rs. 12000/year)
- (v) One-time cost for minor equipment (including furniture and fixture maximum up to Rs. 20,000)
- (vi) Travel and meeting cost (maximum up to Rs.18,000/year)
- (vii) Misc. (stationery cleaning, etc. maximum up to Rs. 12,000/year)

15.3. Any expenditure of operations, management, working capital requirement and infrastructure development etc., over and above this, will be met by the FFPOs from their financial resources

15.4. FFPO being an organization of fishers and fish farmers, it needs mentoring support to professionally administer its activities and day to day business. Therefore, FFPO requires some professionally equipped Manager/CEO to administer its activities and day to day business with a sole objective to make the FFPO an economically sustainable fisheries-based enterprise. Not only for business development but the value of a professional is immense in democratizing the FFPOs and strengthening its governing system.

15.5. The CEO/Manager is to be appointed by the executive body of the FFPO who should be either graduate in Fisheries / Agri-Business Management or BBA or equivalent. Locally available professionals with 10+2 and 17 preferably diploma in Fisheries / Agri-Business Management or in such other related areas may be preferable. The accountant should have educational qualification of 10+2 with Mathematics as a compulsory subject or alternatively with Commerce or Accountancy background. If any members of the FFPO meet the above criteria, they may be considered preferably in the selection process.

15.6. Under the scheme, financial support towards salary of CEO/Manager up to @ Rs. 25,000/- per month and of Accountant up to @ Rs.10,000/- per month with annual increment up to 5% is to be provided from the earmarked financial support for first 3 years only. Thereafter, FFPOs will manage from their own resources to pay the salary of CEO/Manager and Accountant. In order to create interest of good professional activities of CEO/Accountant, the FFPO may also offer higher payment with their own sources of funds on above of Govt. support. One CEO will provide full time services to one FFPO at a time only. It will be duty and responsibility of respective Board of Directors (BoDs) and CBBO that quality of services is rendered by CEO for developing the business for sustainability of the FFPO.

- 15.7. **One-Time registration cost:** Under the scheme, the registration cost of incorporating FFPOs under Companies Act or registering under Co-operative Societies Act will be reimbursable up to a limit of Rs. 40,000/- or actual, whichever is less; and remaining, if any, will be borne by respective FFPO.
- 15.8. The FFPOs will forward the periodic utilization certificate for FFPO management cost received and utilized as may be necessary to Implementing Agency through concerned CBBO.

16. Provision for Equity Grant

- 16.1. FFPO members own equity will be supplemented by a matching Equity Grant from Government, which is required to strengthen financial base of FFPOs and to help them to get credit from financial institutions for their projects and working capital requirements for business development.
- 16.2. Equity Grant will be in the form of matching grant up to Rs. 2,000/ per producer member subject to a limit of Rs. 15 lakh per FFPO. This Equity Grant is not in the form of government participation in equity, but only as a matching grant to the FFPOs as members' equity.
- 16.3. **Objectives of Equity Grant:** The objectives of Equity Grant are to (i) enhance viability and sustainability of FFPOs; (ii) increase credit worthiness of FFPOs; and (iii) enhance shareholding of members to increase their ownership and participation in their FFPO.
- 16.4. **Eligibility Criteria for FFPOs:** An FFPO fulfilling following criteria shall be eligible to apply for Equity Grant under the Scheme:
- (i) It shall be a legal entity incorporated/ registered either under Part IXA of Companies Act or under Co-operative Societies Act of the concerned States and formed for the purpose of leveraging collectives through economies of scale in production and marketing of agricultural and allied sector.
 - (ii) It has raised equity from its Members as laid down in its Articles of Association/ Bye laws.
 - (iii) The number of its Individual Shareholders is in accordance with the guidelines.
 - (iv) Minimum 50% of its shareholders are small and marginal fishers, fish farmers and other fish workers (i.e., involved in small-scale fisheries who offer their products on local markets or consume their catch themselves). Women participation as its shareholders are to be preferred.
 - (v) Maximum shareholding by any one member shall not be more than 10% of total equity of the FFPO.
 - (vi) A fisher or fish farmer can be member in more than one FFPO with different produce clusters but he/she will be eligible only once (for any one FFPO that

- he/she is a member) for the matching equity grant up to his/her share.
- (vii) In the Board of Directors (BoD) and Governing Body (GB), as the case may be, there shall be adequate representation of women member(s) and there should be minimum one-woman member.
 - (viii) It has a duly constituted Management Committee responsible for the business of the FFPO.
 - (ix) It has a business plan and budget for next 18 months that is based on a sustainable, revenue model as may be determined by the Implementing Agency.

16.5. Procedure for release of Equity Grant

16.5.1 The Equity Grant will be made available to the eligible FFPOs to receive a grant equivalent in amount to the equity contribution of their shareholder members in the FFPO subject to a limit of Rs. 15 lakh per FFPO. Equity Grant sanctioned shall be released to respective Implementing Agency for transferring to the bank account of the FFPO. The FFPO shall, within 45 days of the receipt of the Equity Grant, issue additional shares to its shareholder members, equivalent in value to the amount of the Grant received by it, provided that the maximum grant per category of shareholder irrespective of their share as aforesaid is as follows:

- (i) The criteria for calculation of Equity Grant (rounded off to the Share Unit Value) (subject to point a) to each shareholder member of the FFPO (as per authenticated copy of the Shareholders' Register maintained by the Producers Company/ Co-operative Society as per the applicable provisions of the relevant Act) is as follows:
 - a) Allocation of shares shall be on matching/ pro-rata basis of the shareholders' current shareholding, subject to the maximum specified above and ensuring that each shareholder member receives minimum one equity share.
 - b) If the Grant sanctioned to the FFPO is not sufficient to ensure a minimum one share to all its shareholder members, allocation of grant shall be based on the shareholders' current landholding, starting with shareholder with the least land or water body holding/the smallest producer/or by transparent draw of lots where such identification is not possible.
- (ii) The FFPO shall be allowed to draw the Equity Grant in a maximum of three (3) tranches (within a period of 4 years of the first application and within the handholding period of CBBO) subject to a limit of Rs. 15 lakh per FFPO, provided and to the extent that it is able to raise additional Member Equity to qualify for an additional matching grant within the overall ceiling of Rs. 15 lakh. The request for the second tranche shall be treated as a fresh application and the full process of due diligence shall be repeated.
- (iii) In the event that a shareholder, who receives additional shares issued by the FFPO against Equity Grant sanctioned by the Implementing Agency, exits the FFPO at any point after receiving the shares, the additional shares received by him/her in lieu of the Equity Grant and standing in his/her name must be transferred to another shareholder or new shareholder within 90 days of his/her

exiting the FPO, through an open and transparent draw of lots. In such cases, the original shareholder cannot receive the value of the additional shares transferred to other/ new members.

- (iv) Dept of Fisheries, Govt of India may ask Implementing Agencies to recall the Equity Grant amount from the FFPO, which shall be legally liable to comply with the same in the case of: a) failure to issue additional shares to members against the Equity Grant received by the FFPO within 45 days of its receipt; b) closure / dissolution of FFPO within five years of the receipt of the Equity Grant; and c) instances of misuse/misappropriation of the Equity Grant (viz. use of funds for activity other than mentioned in Memorandum of Association/Articles of Association/ Business plan of the FFPO) .

16.6. Application for Equity Grant: Eligible FFPOs shall apply for the Equity Grant in the prescribed Application Form (**Annexure – I**) only. Other mandatory documents required to be submitted along with the Application are listed below:

- (i) Shareholder List and Share Capital contribution by each member verified and certified by a Chartered Accountant (CA)/Cooperative Auditors prior to submission (**Enclosure – I of Annexure – I**).
- (ii) Resolution of the Board of Directors/Governing Body to seek Equity Grant for members (**Enclosure – II of Annexure – I**).
- (iii) Consent of shareholders, stating name of shareholder, gender, number of shares held, face value of shares, land/water body holding, giving consent for Implementing Agencies to directly transfer the Equity Grant sanctioned to the FFPO on their behalf, to the FFPO Bank account, against the consideration of additional shares of equivalent value to be issued to them by FFPO and on exit-transfer of the shares as per rules (**Enclosure – III of Annexure – I**).
- (iv) If the FFPO is in operation for more than one or more financial year, then it shall provide copies of the Audited Financial Statements of FFPO for all years of existence, verified and certified by a Chartered Accountant (CA) / Cooperative Auditors prior to submission.
- (v) In case FFPO is in operation for a period of less than one financial year, Photocopy of Bank Account Statement for last six months authenticated by the Branch Manager of the “Bank” has to be submitted.
- (vi) Business Plan of FFPO and budget for next 18 months has to be enclosed.
- (vii) Names, photographs, and identity proof (anyone from among the ration card, Aadhaar card, election identification card, passport) of Representatives/ Directors authorized by the Board for executing and signing all documents under the Scheme. Each page of the Application Form and enclosed documents shall be signed by a minimum of two Board Member /Authorized Representatives of the FFPO.

Note: All the information/documents are to be verified by respective CBBOs while submitting the same to the respective Implementing Agencies

16.7. Institutional Due Diligence:

16.7.1 The Implementing Agency shall undertake a due diligence process to establish the credibility, sustainability and viability of the FFPO, before taking a decision on its application for Equity Grant. The due diligence shall cover the following aspects:

- (a) Governance;
- (b) Business and Business Plan Viability;
- (c) Management Capability;
- (d) Financials

All the documents and information in this respect are to be routed to Implementing Agencies through respective CBBOs once duly verified by them.

16.7.2 Due diligence shall be conducted through Desk Appraisal by the implementing Agencies based on documents received.

16.8. Sanction:

16.9. FFPOs shall submit their application to the respective Implementing Agencies. After necessary due diligence by the Implementing Agencies, the proposal may be approved for sanction of Equity Grant. The implementing agency shall make demand of fund for disbursement under the scheme as per the payment schedule approved under the Annual Action Plan (AAP) / Self-Contained Proposal (SCP). Same may be released to Implementing Agency upon furnishing Utilization Certificate as described in Para 13.1.2.

16.10. Disbursement:

- (i) After accepting the terms of sanction, the FFPO shall enter into Agreement with Implementing Agencies.
- (ii) Implementing Agencies shall transfer sanctioned funds to the FFPO Account directly.

16.11. Compliance and Verification: The FFPO shall submit the following documents to Implementing Agencies:

- (i) List of additional shares issued by the FFPO to its shareholder members under the Scheme, along with the respective Folio Numbers, verified and certified by a Chartered Accountant (CA), within 45 days of the receipt of the funds.
- (ii) If the FFPO does not honor its commitment in any manner whatsoever, either in the matter of issuing shares or in notifying Implementing Agency within the specified time limit, the Equity Grant amount sanctioned and released by Implementing Agency to the FFPO is liable to be cancelled and recalled by the Implementing Agency, as detailed in the agreement between Implementing Agency and FFPO.

16.12. Recourse on Non-Compliance: In the event of violation of any of the terms and conditions herein contained or contained in the rules or any of the instructions issued by the Implementing Agency from time to time (or) instances of misuse/misappropriation of the Equity Grant sanctioned and released to the FFPO by the Implementing Agency, Implementing Agency shall have the right to demand and enforce forthwith repayment of the entire amount of Equity Grant sanctioned by it along with appropriate damages.

17. Credit Guarantee Facility (CGF)

17.1. The primary objective of Credit Guarantee Facility (CGF) is providing Credit Guarantee Cover to Eligible Lending Institution (ELI) to enable them to provide collateral free credit to FFPOs by minimizing their lending risks in respect of loans.

17.2. Under, PMMSY efforts will be made to foster linkages with Department of Agriculture, Cooperation and Farmers Welfare, NABARD, National Cooperative Development Corporation (NCDC) etc. in order to extend Credit Guarantee Cover to the FFPOs/Cs to the extent possible.

17.3. Under the 10,000 FPO Scheme implemented by the Department of Agriculture, Cooperation and Farmer's Welfare, Ministry of Agriculture and Farmer's Welfare, a dedicated Fund of up to Rs. 1,500.00 crore has been earmarked for extending credit guarantee facilities to FPOs. The Department of Fisheries in consultation with Department of Agriculture, Cooperation and Farmers Welfare, will explore the possibility of extending the aforesaid credit guarantee facilities to the FFPOs/Cs formed under PMMSY to the extent possible.

18. Training and Capacity Building for Promotion of FFPOs

18.1. Capacity building, training and skill development of CEOs/ Board of Directors(BoDs) and other stakeholders by the Nodal training institutions is very essential for development of robust FFPOs and for running the business activities successfully on a self-sustainable basis. Further the capacity building, training and skill development would *inter alia* focus on vertical and horizontal aspects of fisheries value chain with managerial aspects including accounting, value addition, processing, and marketing and transfer of technology and innovations.

18.2. The Nodal Training Institutions for FFPOs are Laxman Rao Inamdar National Academy for Co-operative Research & Development (LINAC), Gurugram and its 18 Regional Training Centers (RTCs) across the country under NCDC, Bankers Institute of Rural Development (BIRD) under NABARD and any other nodal training institution approved by Dept of Agriculture, Cooperation and Farmers Welfare under the 10000 FPO Scheme. Further, the Dept. of Fisheries, GoI may allow Nodal training institutions

identified by the State/UT Fisheries departments and their entities for this purpose.

- 18.3. The National Fisheries Development Board (NFDB) under Dept of Fisheries, GoI will be the overall Nodal Agency for coordination at a National level for Capacity building, training and skill development for FFPOs. Wherever required, NFDB in partnership with Nodal Training Institutions will develop training modules and training calendars for training. Further, NFDB, may also develop various video-based demonstrative/interactive e-learning modules in relevant subjects and make available in local languages to widely disseminate knowledge to new and existing FFPOs.
- 18.4. Approved Nodal Training Institutions may work in partnership with other reputed national and regional training institutions like NIRD, MANAGE, Agriculture / Fisheries Universities, ICAR Institutions, KVKs, ASCI, Hyderabad etc. for extending trainings to the FFPO stakeholders.
- 18.5. DOF may also identify and designate other training institute(s) as additional Nodal Training Institute at central level, which will undertake training and skill development partnering with other national and regional level institutes.
- 18.6. Towards training and related expenses, the Nodal Training Institutions will prepare a DPR/Self Contained Proposal (SCP) seeking approval of Dept. of Fisheries, Government of India under the Central Sector Scheme component of PMMSY.
- 18.7. The Nodal Training Institute will ensure that the training programmes be held preferably in same State/UT wherein FFPO trainees are located to reduce the burden on transportation (TA/DA) cost. While formulating the training schedule, Nodal Training Institutes will ensure that BoDs, CEOs/Managers and other stakeholders etc. are trained twice in a year. Nodal Training Institutes will have to make boarding and lodging arrangements for the trainees and will also reimburse to and fro journey tickets to the extent of sleeper class train tickets and/or ordinary bus fare. Nodal Training Institutions will also evolve methodology to monitor and track the performance of trainees and their FFPO organization to ensure effectiveness of training being provided.

19. Monitoring by PMU, SLAMC and DLC of PMMSY

- 19.1. In addition to monitoring and supervision by Implementing Agencies of the FFPOs sub-component, the Project Monitoring Unit (PMU) of PMMSY in NFDB, the State Level Approval and Monitoring Committee (SLAMC) of PMMSY and the District Level Committee (DLC) of PMMSY will undertake periodic review, monitoring and supervision of the implementation of the FFPO sub-component under PMMSY at the National, State and District levels respectively.

20. Evaluation

- 20.1. Mid-term and end-term evaluation of the performance of the FFPO sub-component

under PMMSY will be carried out through a third party either as a part of the overall evaluation of the PMMSY scheme or as a standalone sub-component by the Department of Fisheries, Government of India.

21. MIS and Integrated Portal

21.1. The IAs in consultation with DOF facilitate the following:

- a) Linking of the FFPOs formed under PMMSY with SFAC's Integrated Portal for DAC&FW's 10,000 FPO Scheme.
- b) Management Information System (MIS) for FFPOs as part of PMMSY Dashboard

21.2. The IAs shall make efforts to integrate the relevant data for FFPOs formed under PMMSY with the SFAC's Integrated Portal for DAC&FW's 10,000 FPO Scheme such that the Integrated Portal covers the following:

- (i) The vertical and horizontal e-Market place will provide information about the details of FFPOs produce with its quality ready for sale.
- (ii) It will provide details of availability of quality inputs with price and also the details of custom hiring facility with rate.
- (iii) It will also provide detailed information about formation of FFPO, its registration, location, major business activity, profitability status and all other related information FFPO-wise.
- (iv) It will have window to highlight the problems being encountered in any stage of formation and promotion of FFPOs and quick response by respective agency to resolve the problem.
- (v) All the software developed by Implementing Agencies with respect to FFPOs are to be inter-operable with this Integrated portal.

22. Miscellaneous

22.1. **Convergence:** Ongoing schemes of Government will be used in convergence to enhance the cost effectiveness of FFPOs in production, raising productivity, enhancing incomes and meeting the infrastructure requirement of the FFPOs. The Implementing Agencies may converge the fund available with various on-going Government of India schemes such as Rashtriya Krishi Vikas Yojna (RKVY), Pradhan Mantri Kisan Sampada Yojna (PM-SAMPADA), Deendayal Antyodaya Yojna – National Rural Livelihood Mission (DAY-NRLM), PM- FME (Food Micro-Enterprise Scheme) of MoFPI, Fisheries and Aquaculture Infrastructure Development Fund (FIDF) of MoFAHD etc. in programs, activities and creation of infrastructure like Custom Hiring Centre (CHC), Common Facilitation Centre (CFC) with machinery/equipment relating to production and post-production, value addition and primary processing, cold storage and other activities to make the FFPOs sustainable and economically viable.

22.2. States/Union Territories can additionally supplement the activities of FFPOs from their own funds.

22.3. States/Union Territories may consider to make available appropriate size of land to FFPOs for setting up of CFCs and CHCs at cheaper rate on rent/lease or otherwise; or may make available the same for free of cost.

22.4. States must actively consider encouraging FFPOs for selling their produce through e-National Agriculture Market (e-NAM) including FFPO module of e-NAM or through other electronic platform from their premises.

Annexure – I: Application Form for seeking Equity Grant by FFPO

Date:

To,

(i) The Managing Director
Small Farmers' Agri-Business Consortium (SFAC),
NCUI Auditorium, August Kranti Marg,
Hauz Khas, New Delhi 110016.

(ii) The Managing Director
National Co-operative Development Corporation (NCDC),
4, Siri Institutional Area,
Hauz Khas, New Delhi 110016.

(iii) The Chief General Manager
National Bank for Agriculture and Rural Development (NABARD),
Regional Office -----

(iv) To any other additional Implementing Agency allowed/designated, as the case maybe

Sub: Application for Equity Grant under scheme of Formation and Promotion of Fish Farmer
Producer Organizations (FFPOs)

Dear Sir/Madam,

We herewith apply for Equity Grant as per the provisions under the captioned scheme.

1. The details of the FFPO are as under:

S. No.	Particulars to be furnished	Details
1.	Name of the FFPO	
2.	Correspondence address of FFPO	
3.	Contact details of FFPO	
4.	Registration Number	
5.	Date of registration/incorporation of FFPO	
6.	Brief account of business of FFPO	
7.	Number of Shareholder Members	
8.	Number of Small and Marginal Shareholder Members	

S. No.	Particulars to be furnished	Details
9.	Paid up Capital (in INR)	
10.	Amount of Equity Grant sought (in INR)	
11.	Maximum shareholding of an Individual Shareholder Member	
12.	Bank name in which account is maintained	
13.	Account number	
14.	Branch name & IFSC code	
15.	Number of Directors with their briefs	
16.	Mode of Board formation (election/nomination)	
17.	Number of Women Director(s)	
18.	Date(s) of Board/Governing Body Meetings held in the last year	
19.	Number of functional committees of the FFPO: (Mention the major activities of each committee)	1. 2. 3.
20.	Roles & Responsibility of Boards/ Governing Body	1. 2. 3. 4.

2. Details of Board of Directors/Governing Body:

S. No.	Name of the Directors of Board/ Governing Body	Designation/ Role in the FFPO	Aadhar Number	DIN Number	Qualifications Tenure (in yrs.)	Contact No./ Address	Land / Water body holding (in Acres) or Vessel Registration number
1.							
2.							
3.							
4.							
5.							
6.							
7.							
....							

3. Details of Members of Board/ Governing Body:

S. No.	Name of the Members of Board/ Governing Body	Role in the FFPO	Aadhar Number	Qualifications Tenure (in yrs.), if any	Contact No./ Address	Land or Water-Body holding (in Acres) or Vessel Registration number
1.						
....						

4. Details of Shareholding of FFPO Members:

#	Number of shareholders	Number and face value (INR) of shares allotted	Total amount paid (including premium in INR.)

We certify that no member of our FFPO had availed Equity Grant facility earlier.

We submit our application along with the mandatory documents and request that the equity grant be approved.

Yours faithfully,

President/Chief Executive Officer/Manager

Authorized Representative/ Director of FFPO

***List of mandatory documents to be attached with the application form**

- a. Shareholder List and Share Capital contribution by each Member, verified and certified by a Chartered Accountant (CA) prior to submission (Format attached, **Annexure I – Enclosure-I**).
- b. Resolution of FFPO Board/Governing Council to seek Equity Grant for Members (Format attached, **Annexure I – Enclosure-II**).
- c. Consent of Shareholders, stating name of shareholder, gender, number of shares held,

face value of shares, land holding, and signature, signifying consent for Implementing Agency to directly transfer the Equity Grant sanctioned to the FPC on their behalf, to FPC Bank account, against the consideration of additional shares of equivalent value to be issued to them by FPC and on exit- transfer of the shares as per rules (Format attached, **Annexure I – Enclosure-III**).

- d. Audited Financials of FFPO for a minimum 1 year/for all years of existence of the FFPO if formed less than three years prior to application/ for the last 3 years for FFPO in existence for 3 years or more, verified and certified by a Chartered Accountant (CA) prior to submission.
- e. Photocopy of FFPO Bank Account Statement for last six months authenticated by Branch Manager.
- f. Business plan and budget for next 18 months.
- g. Names, photographs, and identity proof (one from among ration card, Aadhaar card, election identification card, and passport) of Representatives/ Directors authorized by the Board for executing and signing all documents under the Scheme.
- h. Each page of Application Form and accompanying documents should be signed by a minimum of two Board Member Authorized Representatives of FFPO.

Shareholders' List and Share Capital contribution by each member verified and certified by a Chartered Accountant (CA) prior to submission

S. No.	Member Name & Gender	Date of Membership	Share Money deposited by member (Rs.)	No. of Shares allotted (Share Value in INR)	Folio Share distinctive Number	Land or Water-Body holding (in Acres) or Vessel Registration number	Land Record (Khasra No.)

Signature of President

Signature of CEO

Name:

Name:

Place:

Place:

Date:

Date:

Verified and certified by Chartered Accountant (CA) (Sign and Seal)

Resolution of Board of Directors/Governing Body to seek Equity Grant for Members

FFPO to seek Equity Grant for Shareholders (Certified true Copy)

- a) Place of meeting.....
- b) Date of meeting.....

Agenda of Meeting: To avail Equity Grant support

Whereas the FFPO has been formed under _____ (legal registration status of FFPO) and on the basis of the decision of the AGM/EGM (held on) _____ (mention the date) to avail Equity Grant support under the Scheme.

We, the Board of Directors of the FFPO unanimously resolve that-

- i. The grant shall be utilized for business enhancement of the FFPO.
- ii. The basis of allocation of the said fund shall be the individual share money contribution by members and in accordance with the criteria laid down in the Scheme.
- iii. The accounts of the said grant shall be maintained in a proper manner.
- iv. The benefit of the said support shall be extended shareholder member-wise and shall be available to an individual till she/he is the member of the FFPO.
- v. If a shareholder member quits the FFPO at any point, the shares issued in lieu of the grant shall be retained by the FFPO and shall not be paid to the member but shall be allocated to a new/additional existing member as per the scheme guidelines. This has been discussed in the AGM/EGM held for this purpose on----- and the Shareholders are fully cognizant of the Terms and Conditions of the Scheme & have agreed to abide by the same.

We further resolve that to execute the documents pertaining to this support, the President / in his absence, any one of the following Directors of the FFPO for any reason due to non-availability of the President and the Chief Executive of FFPO, whose signatures are given below and certified by the Bank are authorized to sign all documents and forms jointly. Further resolved that this Resolution be communicated to..... (Name of Implementing Agency) and shall remain in force until further notice in writing.

Signed by the CEO & Board of Directors and Sealed

S. No.	Name	Designation	Signatures

Consent Form of all Shareholders

We are Shareholders in _____ (Name of the FFPO) located in _____(Name of village/block/district/State). We have purchased _____ (number of issued Shares) worth Rs. _____(value of the issued Shares) from the FFPO, as per the list below-

(List to be attached stating name of shareholder, gender, number of shares held, face value of shares, land holding, and signature.)

We have been informed about /read the Terms and Conditions of the EG and agree to the same. In particular, each shareholder hereby agrees that the entire amount of Equity Grant sanctioned by.....(Name of Implementing Agency) on our behalf be directly transferred to our FFPO's account towards the consideration of additional shares to be issued to us of equivalent amount in the FFPO.

On receipt of the amount, the FFPO shall immediately, issue additional shares to respective shareholders, of the equivalent amount sanctioned to each shareholder by the.....(Name of Implementing Agency)

We also agree that should any shareholder at any point cease to be a Member of the FFPO for any reason whatsoever, the additional shares against the Equity Grant that stand in his/her name shall be retained by the FFPO to be allocated to another Member as specified under the Scheme and that in such a case, he shall not receive the value of the share.

In support of our consent, we have affixed our signatures /thumb impressions below:
Consent details: -

S. No.	Name & Gender of Shareholder	Current Equity holding (Number and Face Value in INR)	Land or Water-Body holding (in Acres) or Vessel Registration number	Signatures/Thumb impressions
1.				
2.				

We declare that the information furnished by the shareholders above is true.

Chief Executive Officer (Seal)

President/Authorized Signatory

Certified by a Chartered Accountant (CA) (Seal) Countersigned by Bank Manager (of the Bank where the FFPC has the account) (Seal)
