

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION No. 3274
ANSWERED ON 20TH MARCH, 2026

**OVERCOMING FINANCIAL EXCLUSION OF MICRO FOOD PROCESSORS
UNDER PMFME**

3274. SHRI MOHAMMED NADIMUL HAQUE:

Will the Minister of **FOOD PROCESSING INDUSTRIES** be pleased to state:

- (a) details of the uptake by micro food processing enterprises, despite availability under Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME), including bank risk aversion, documentation complexity or beneficiary awareness gaps;
- (b) whether any customized outreach and capacity-building programs have been implemented to address low-quality loan applications and improve credit scoring; and
- (c) details of the manner in which digitalization of loan application and monitoring processes tangibly improved bank disbursement efficiency?

ANSWER

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES
(SHRI RAVNEET SINGH)

(a): Under the Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) Scheme, loans for 1,72,707 micro food processing enterprises and Seed capital for 3,76,326 Self Help Group (SHG) members have been sanctioned as on 31st December 2025. To provide handhold support to micro enterprises, District Resource Persons (DRPs) have been appointed by State implementing Departments / Agencies to guide the applicants through the application process, which is entirely online. Applicants are also provided technical, financial and business support through training and DPR preparation, which enhances the quality of proposals, reduces documentation complexity and improves credit worth. Further, various awareness campaigns are conducted at district level and regular review meetings are held with State/ UT Governments and participating Banks to improve the performance of the scheme.

(b): The Capacity Building component of the PMFME Scheme has provision to provide Food Processing Enterprise Development Programme (EDP) Training for all applicants recommended for availing credit linked grant by District Level Committee (DLC) as well as Seed Capital SHG beneficiaries. To improve the quality of applications and Credit Score, DRPs have been appointed by States/ UTs to provide handhold support to micro enterprises in preparing Detailed Project Reports (DPRs), securing bank loans, training, and formalization of units. Lead District Managers in coordination with District Nodal Officers are organizing customized outreach and awareness activity programmes about scheme guidelines and banking requirements for branch managers,

beneficiaries, DRPs and all the stakeholders to improve credit scoring as well as higher success rate. Further, the Scheme promotes adherence to standard loan repayment practices by making it a mandatory condition for adjustment of subsidy. This provision incentivises timely repayment and supports beneficiaries in improving their creditworthiness and credit scores over time.

(c): Under the Scheme, the online PMFME Management Information System (MIS) Portal has been developed for end-to-end digital processing of applications, including submission and approval, without the need for physical documentation. The DPR is inbuilt in the system and is generated automatically upon filling and submission of all the details along with documents, by the applicants. The banks track and monitor pending sanctioned applications for disbursement through their internal escalation portal regularly, which has streamlined disbursement. Thus, the improved transparency, real-time tracking of applications and coordination among stakeholders, have led to faster processing of proposals and improved efficiency in loan sanction and subsidy disbursement by banks.
