

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION No. 2323
ANSWERED ON 07TH AUGUST, 2026

ASSISTANCE TO FOOD PROCESSING UNITS UNDER PMFME

2323. SHRI SUBHASH BARALA:
SMT. REKHA SHARMA:
DR. ANIL SUKHDEORAO BONDE:

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

- (a) whether any mechanism has been put in place to monitor if the micro food processing units that received assistance under the Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) Scheme continue to remain operational after receiving assistance;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) the major reasons identified for assisted units becoming non-operational or failing to achieve the expected level of performance; and
- (d) the corrective measures being taken to ensure their long-term viability?

ANSWER

THE MINISTER OF FOOD PROCESSING INDUSTRIES
(SHRI CHIRAG PASWAN)

(a) and (b): The Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME) Scheme provides financial, technical and business support for setting up of new/upgradation of micro food processing enterprises in the country. Under the Credit Linked Subsidy component, the subsidy is back-ended and is initially kept in beneficiary's mirror account by the lending bank. The subsidy is adjusted against the beneficiary's loan only after three years from the date of disbursement of the last tranche of the loan, subject to the enterprise remaining operational and not becoming a Non-Performing Asset (NPA). Further, the Scheme promotes the formalisation of micro food processing enterprises by facilitating statutory registrations such as Food Safety and Standards Authority of India (FSSAI), Udyam, and Goods and Services Tax (GST) registration (where applicable), thereby strengthening long-term sustainability of the enterprises.

(c) and (d): The Ministry has not received any such instance of micro food processing enterprises becoming non-operational after availing assistance under the PMFME Scheme. However, Ministry conducts regular review meetings with all the State Governments and lending banks, Department of Financial Services (DFS) level and State Level Bankers Committee (SLBC) meetings to address implementation bottlenecks and improve credit flow. Banks are also being sensitized to ensure timely sanction, adequate availability and prompt disbursement of institutional finance to eligible beneficiaries, thereby supporting the sustained operation and growth of micro food processing enterprises.
