

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
STARRED QUESTION NO. *215
TO BE ANSWERED ON 13TH MARCH, 2025

**DISBURSEMENT OF FUNDS FOR SMALL AND MEDIUM FOOD PROCESSING
INDUSTRIES**

***215. DR. D. PURANDESWARI:**

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

- (a) the details of the total funds disbursed under Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) and PM Formalization of Micro Food Processing Enterprises (PMFME) scheme for small and medium food processing industries;
- (b) the eligibility criteria for entrepreneurs to benefit from these schemes;
- (c) whether the said schemes have provisions to support women and marginalized communities and if so, the details thereof;
- (d) the details of the steps taken/being taken by the Government to ensure widespread awareness about these schemes among rural entrepreneurs especially in the State of Andhra Pradesh; and
- (e) the impact of the said schemes on employment generation and value addition in the food processing sector?

ANSWER

THE MINISTER FOR FOOD PROCESSING INDUSTRIES
(SHRI CHIRAG PASWAN)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. *215 FOR ANSWER ON 13TH MARCH, 2025 REGARDING “DISBURSEMENT OF FUNDS FOR SMALL AND MEDIUM FOOD PROCESSING INDUSTRIES”

(a): Ministry of Food Processing Industries (MoFPI) has been incentivizing food processing entrepreneurs including small and medium one, for setting up/expansion of related industries through its Central Sector Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) Scheme, Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) and Centrally Sponsored Pradhan Mantri Formalization of Micro food processing Enterprises (PMFME) Scheme across the country. These schemes are not region or state specific but demand driven.

PMKSY scheme mainly caters to small and medium enterprises and a sum of ₹6198.76 crore has been disbursed as grants in aid/ subsidy since inception of component schemes of PMKSY, as on 28.02.2025.

Incentives to the tune of ₹1155.296 crore has been disbursed under PLISFPI, out of which ₹13.266 crore has been disbursed to MSMEs in 20 eligible cases as on 28.02.2025.

PMFME scheme mainly caters to micro enterprises and as on 28.02.2025, Central Share of ₹ 2704.61 crore has been released to States/ UTs for implementation of various components of the scheme.

(b): The eligibility criteria under PMKSY is given below:

- The combined net worth of the applicant should be at least 1.5 times of the grants-in-aid sought in respect of proposals from General Areas and at least equal to the grants-in-aid sought for, in case of proposals from Difficult Areas or proposals from SC/ST promoters or FPOs or SHGs.
- In-principle /final term loan sanction letter specific to the proposal from a bank.
- Detailed bank appraisal note from a Scheduled Commercial Bank.
- Term loan from the Bank for an amount not less than 20% of the total project cost in respect of proposals from General Areas and 10% of the total project cost in case of proposals from Difficult Areas or proposals from SC/ST promoters or FPOs or SHGs.
- Infusion of promoter’s equity of at least 20% of the total project cost in respect of proposals from General Areas and 10% of the total project cost in case of proposals from Difficult Areas or proposals from SC/ST or FPOs or SHGs.
- Only one application will be accepted from an entity against an Expression of Interest under the scheme.
- Expansion/Upgradation of existing facility(ies) will not be allowed except for Food Safety & Quality Assurance Infrastructure (FTL) and Creation/Expansion of Food Processing & Preservation Capacities (CEFPPC) schemes..
- Entities or promoter(s) of entities who have availed financial assistance under another scheme (any scheme other than the CEFPPC scheme) of the Ministry will be eligible for Grants-in-aid only after two years from the date of commercial operation of the previous project. Provided that an entity or promoter(s) of an entity shall not be eligible for financial assistance for more than two projects during a period of 10 years.

The eligibility criteria under PLISFPI is given below:

Category	Segment	Minimum Sale (Rs. in Crore)	Minimum Investment (Rs in Crore)	Min CAGR % for Sales Incentives
Category-I	Ready to Eat /Ready to Cook	500	100	10
	Processed Fruits & Vegetables	250	50	10
	Marine Products	600	75	5
	Mozzarella Cheese	150	23 Crore-10 MTPD	15
Category-II	Innovative/Organic Products including Free range eggs, Egg Products, Poultry Products	a. Udyami Registered b. Achieved Minimum sale of Rs. 1 Crore during 2019-20 for each of the Innovative/ organic product proposed to be incentivized. c. Applicant for Organic Product shall be registered with APEDA (NPOP Certification)		
Category-III	<ul style="list-style-type: none"> Only Indian Brands are covered for branding & Marketing abroad having products manufactured in India; Branding & Marketing shall be undertaken either by the Applicant directly or through its subsidiary or any other agency India/Abroad 			
Millets based products	Large Entity - 250 Crore	MSME - 2 Crore		
The scheme is applicable only for the sale of products whose entire chain of manufacturing process (including primary processing) takes place in India . This condition does not apply for additives, flavours and edible oils used in the manufacturing process. The incentives under the scheme varies from 5%-10% in first 4 years and 4%-9% in subsequent years.				

The eligibility criteria under PMFME to Support to Individual Micro Enterprises is given below:

- Beneficiary contribution should be minimum of 10% of the project cost with balance being loan from Bank.
- The individual applicant should be above 18 years of age irrespective of educational qualification.
- Applicant/enterprise is eligible for bank loan under the Scheme, even if he has availed bank loan in other Subsidy Linked Schemes of Government. Applicant is also eligible for Interest Subvention and Top Up convergence with other Government Sponsored Schemes. Lending Banks may consider sanctioning need based working capital limit to the beneficiaries, as admissible. However, no subsidy would be provided on the working capital.
- The applicants/Entrepreneurs of existing units under stress and qualifying for restructuring by the Banks are eligible for upgradation/expansion of the Unit under the scheme.

(c): Women and marginalized communities are eligible to apply under the Schemes of the Ministry. Under PMKSY and PMFME schemes, 8.3% of total fund is earmarked for Scheduled Caste Sub-Plan (SCSP) and that of 4.3% for Tribal Sub Plan (TSP).

Under PMKSY guidelines, concessions for SC/ST applicants are provided as under:

- Net Worth requirement reduced to amount equal to grant sought, in comparison to 1.5 times for general public;
- Term Loan requirement reduced to 10% of eligible project cost, in comparison to 20% for general public;
- Equity requirement reduced to 10% of eligible project cost, in comparison to 20% for general public;
- Qualifying level reduced to 45 out of 100, in comparison to 60 for general public;
- Quantum of grant at enhanced level of 50% of eligible project cost, in comparison to 35% for general public (subject to the maximum ceiling under respective sub-schemes);
- Requirement of minimum eligible project cost reduced to Rupees One Crore, in comparison to Rupees Three Crores in respect of CEFPPC projects [for other schemes, no such criteria is fixed]

Under PMKSY, as on 28.02.2025, a total of 156 projects by women entrepreneurs have been approved and grants in aid amounting to ₹273.17 crore has been released to these projects. Similarly, 110 projects have been approved to the entrepreneurs belonging to SC/ST category and grants in aid amounting to ₹247.17 crore has been released to these projects.

Under the PMFME Scheme, Support for Credit Linked Subsidy is being provided for setting up of new/ upgradation of existing micro food processing enterprises. As on 28.02.2025, out of the total 1,27,758 loans sanctioned, 55,963 loans have been sanctioned for Women enterprises, 10,929 loans have been sanctioned for SC Category and 6255 loans have been sanctioned for ST Category. In addition to this, Seed capital support @ Rs. 40,000 is being provided to SHG members. 3,27,174 SHG members have been sanctioned for Seed capital.

(d): To ensure equal opportunities across rural and urban areas Scheme awareness activities through National & State level awareness campaigns such as Newspaper advertisement, Radio Jingles, Exhibitions & Expos, Millet Fairs, Buyer-Seller Meets, district and block level workshops etc. are conducted with the aim to enhance the awareness of general public and for their participation for availing benefits under the Schemes, including Andhra Pradesh.

Under the scheme of Promotional Activities of MoFPI, Ministry has provided financial assistance to various eligible organizations for organizing 120 events such as seminars, workshops, conferences, exhibitions etc. across the country during the year 2023-24 & 2024-25 to create awareness among stakeholders. In Andhra Pradesh, 2 such events have been supported by the Ministry.

(e): Under the PLISFPI total employment of 3,31,018 has reportedly been generated as on 31.12.2024.

Since inception of component schemes of PMKSY, 1608 projects have been approved and 1103 projects are operationalized as on 28.02.2025. Operationalized projects generated employment of 4.25 lakh and creating preservation/ processing capacity of 244.94 lakh MT.

Under PMFME, total 3,83,274 direct/ indirect employment has been generated till 28.02.2025.
