

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 3228
TO BE ANSWERED ON 20TH MARCH, 2025

UNDERUTILIZATION OF FUNDS ALLOCATED UNDER PMKSY

3228. SHRI AZAD KIRTI JHA:

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

- (a) the reasons for the underutilization of funds allocated under the PMKSY Scheme during the current and previous financial years;
- (b) whether the Government has assessed the impact of the reduction in the Budget Estimate for 2024-25 on the effective implementation of the scheme, if so, the details thereof;
- (c) the steps taken/being taken by the Government to ensure better utilization of funds, particularly under the Scheduled Caste Sub Plan (SCSP), Standard Temperature and Pressure (STP) and North Eastern Railway (NER) heads;
- (d) whether the terms and conditions under these heads are being revisited to address the lack of response from the intended beneficiaries, if so, the details thereof;
- (e) whether the Government has held consultations with stakeholders to identify the needs and requirements of the sector to reinvigorate the scheme, if so, the details thereof; and
- (f) the timeline for implementing the corrective measures to ensure the effective utilization of the allocated funds?

ANSWER

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

(a): The reasons for underutilization of allocated funds under the PMKSY scheme are as under:

1. Gestation period for submission of documents in respect of sub-schemes of PMKSY varies from 18 to 30 months. Funds are released in reimbursement mode on submission of documents by the implementing agencies on fulfilment of all the criteria laid down in the guidelines of the concerned sub-scheme. There are generally delays in submission of required documents by applicants for release of subsidy.
2. Delays in implementation of the projects on account of delay in securing statutory clearances from the respective State Agencies (like Revenue Authority, Town Planning, Electricity Authority, Water Authority, Pollution Control Board, Licensing Authority, etc.), which often leads to delay in release of grants and thus the underutilization.
3. Mandatory budgetary allocation under the Head SCSP/TSP/NER against lower budget demand by the sub-schemes of PMKSY as there are less number of projects for which funds have to be released under these heads. Therefore, 100% utilization of allocated funds at RE stage could not be achieved.

(b): Budget allocated under BE & RE 2024-25 is after realistic assessment of the projects expected to be completed during the Financial year. However, as against the RE of Rs. 629.8 crore for 2024-25, as on date (06.03.2025), Rs. 421.96 crore (67.19 % of RE) has already been utilized and Rs. 170 crore is also in pipeline and may be utilized by the end of March, 2025

(c): In order to get additional proposals under the SCSP/STP/NER heads, a special EOI for SCSP/ST/NER category was floated by the Ministry on 27.07.2023. Ministry had received 179 proposals in the said EOI out of which 48 proposals were approved.

(d) to (f): The Ministry has been making incessant efforts to reach out to SC/ST and NER category beneficiaries and to utilize the funds by efforts as mentioned below:

(i) For SC/ST/NER category applicants special EOI dated 27.07.2023 as mentioned above was floated. Further, special concessions like subsidy @50% of eligible project cost, concession in net-worth, equity consisting of only 10% in comparison to 20% for General category applicants, Term Loan @10% in comparison to 20% for General category applicants etc have been made to attract more applicants under these categories.

(ii) Ministry and the Project Management Agencies (PMAs) engaged under component schemes of PMKSY are interacting regularly with the Project Implementing Agencies (PIAs) of approved projects and are assisting them in timely implementation of the projects.

(iii) Regular review meetings, virtual verification and physical site inspection of projects are conducted by the Ministry and PMAs for smooth and timely completion of the projects.

(iv) Ministry on the request of PIAs, also takes up the matter with the concerned State/UTs Government and their agencies for smooth and timely implementation.

(v) Under the PMKSY scheme project proposals are invited from time to time across the country including remote or underdeveloped areas by floating Expression of Interests (EOIs) on the Ministry's website. Wider publicity is given to the component schemes under PMKSY by circulation through Press Information Bureau (PIB) and publishing in leading national and regional newspapers. Individuals including small farmers as well as entity/ organization such as FPOs/FPCs/NGOs/PSUs/Firms/Companies, etc. are eligible to avail benefits under the scheme.

Under the scheme of Promotional Activities of MoFPI, Ministry has provided financial assistance to various eligible organizations for organizing 60 events such as seminar, workshop, conference, exhibitions etc. across the country during the year 2024 to create awareness among stakeholders including small farmers and Farmers Producers Organization (FPO) on various schemes of the Ministry.
