

**GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:6174
ANSWERED ON:05.05.2003
GRANTS TO DIFFICULT AREAS
AMBATI BRAHMANIAH

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

- (a) the criteria adopted by the Government for providing the grants to difficult areas;
- (b) whether the Government have a scheme to offer grants upto 25 percent of the capital cost with a maximum of Rs. 50 lakhs in difficult areas where Food Processing Industries (FPI) are set up;
- (c) if so, the details indicating the grants released for the purpose during the last three years and thereafter, State- wise;
- (d) whether these grants have been utilised properly;
- (e) if so, the extent thereof and if not, the reasons therefor; and
- (f) the steps taken by the Government to ensure the fully utilisation of grants?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI N.T. SHANMUGAM)

(a) & (b): The criteria adopted by the Ministry of Food Processing Industries for extending financial assistance is the technical and financial viability of proposals received by the Ministry. Under the existing Plan Scheme of the Ministry, for the setting up/modernisation/expansion of food processing units, higher quantum of financial assistance is extended for projects in difficult areas, which is 33.33% of the cost of plant and machinery and technical civil works subject to a maximum of Rs. 75 lakhs, as opposed to 50% or Rs. 50 lakhs applicable for general areas.

(c): The details of financial assistance extended to the areas covered under 'difficult areas' are given in the statement annexed.

(d) to (f): By and large, the financial assistance extended by the Ministry have been utilised for the purpose for which they were released. Requests for the release of second and/or subsequent instalments are considered by the Ministry only after receipt of the utilisation certificate from the firm in the prescribed format and duly authenticated by Chartered Accountants/Auditors. Where utilisation certificate is not received, the matter is pursued vigorously by the Ministry to obtain the same. In case of failure to furnish the utilisation certificates, the Ministry initiates action to recall the assistance extended.

Annexure

Statement referred to in reply to part(c) of Lok Sabha Unstarred Question No. 6174 dated 5th May, 2003

Details of financial assistance extended to States covered by the definition 'difficult areas' by the Ministry of Food Processing Industries.

(Rs in lakhs)

State	2000-2001	2001-2002	2002-2003
A & N Islands	0.00	0.00	0.00
Arunachal Pradesh	0.00	0.00	43.56
Assam	278.79	87.54	218.46
Chattisgarh	0.00	200.00	0.00
Himachal Pradesh	0.00	0.00	112.36
Jammu & Kashmir	200.00	190.15	513.21
Lakshadweep	0.00	0.00	0.00
Manipur	334.39	232.42	342.89
Meghalaya	0.00	0.00	58.10
Mizoram	0.00	217.10	4.24
Nagaland	97.25	36.60	0.00
Sikkim	0.00	0.00	0.00
Tripura	231.05	0.00	82.75
Uttaranchal	0.00	17.35	3.53

