

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

UNSTARRED QUESTION NO:3010  
ANSWERED ON:12.08.2010  
FPI IN TAMIL NADU  
Adhi Sankar Shri ;Anandan Shri K.Murugesan

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

- (a) the number of Food Processing Industries are functional in Tamil Nadu as on date;
- (b) the financial assistance provided to them by the Government during the last three years and the current year;
- (c) the number of proposals of the Government of Tamil Nadu for setting up of food processing units pending with the Union Government as on date;
- (d) the reasons for delay in their clearance; and
- (e) the time by which these proposals are likely to be cleared?

**Answer**

THE MINISTER OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHA)

(a): Food Processing Industries are set up both in organized and unorganized sectors and as such data on the number of food processing units in the country is not centrally maintained by the Ministry. However, as per competitiveness report of National Manufacturing Competitiveness Council, Government of India, a total 3736 registered food processing units are functioning in Tamil Nadu.

(b): The Ministry of Food Processing Industries extends financial assistance in the form of grant-in-aid to implementing agencies/entrepreneurs @ 25% of the cost of Plant & machinery and Technical Civil Works subject to a maximum of Rs.50 lakhs in general areas and 33.33% subject to a maximum of Rs.75 lakhs in difficult areas under the Scheme of Technology Upgradation/ Establishment/ Modernization of food processing industries. The financial assistance provided to food processing units in Tamil Nadu under the Scheme during last three years and current year are given as below:-

(Rs. in lakhs)				
Name of State	2007-08	2008-09	2009-10	2010-11 (as on date)
	Amount released	Amount released	Amount released	Amount released
Tamil Nadu	951.79	594.355	672.11	205.61

(c) to (e): Ministry of Food Processing Industries extends financial assistance in the country in the form of grant-in-aid to implementing agencies/entrepreneurs @ 25% of the cost of Plant & machinery and Technical Civil Works subject to a maximum of Rs. 50 lakhs in general areas or 33.33% subject to a maximum of Rs. 75 lakhs in difficult areas under the Scheme of Technology Upgradation/ Establishment/Modernization of food processing industries. No such proposal is received directly from the Government of Tamil Nadu for setting up of food processing units under this scheme.

Earlier all the applications for such grants were received by the Ministry through the State Nodal Agencies. These applications were then Centrally processed and grants disbursed directly by the Ministry. From 2007-08, the receipt of applications, their appraisal, calculation of grant eligibility as well as disbursement of funds has been completely decentralized. Under the new procedure, an entrepreneur / applicant can file application with the neighborhood Bank branch/ Financial Institution (FI). The Bank / FI would then appraise the application and calculate the eligible grant amount as per the detailed guideline given to them by the Ministry. The Banks/ FIs appraisal report and its recommendation for the release of grant is transmitted to the Ministry through e-portal established for this purpose. After the recommendation is received from the Bank/ FI, the Ministry sanctions the grant and transfer the funds through the e-portal. Total 124 proposals are pending for disbursement.

The proposals are considered on seniority basis depending upon the availability of funds.