

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

STARRED QUESTION NO:331

ANSWERED ON:02.12.2010

FINANCIAL ASSISTANCE TO FPI

Jawale Shri Haribhau Madhav; Tirkey Shri Manohar

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

- (a) the total number of applications received by the Government during the last three years and the current year from various States for financial assistance for setting up of Food Processing Units (FPIs) in the country, State-wise;
- (b) the total number of applications cleared/pending so far;
- (c) the time by which the remaining applications are likely to be cleared;
- (d) the total number of FPIs functioning in the various States including West Bengal at present, State-wise;
- (e) the total financial assistance, alongwith the subsidy, provided for those units in the country during the last three years, till date, State-wise including West Bengal;
- (f) whether the Government is considering to establish Food Processing Special Economic Zone (SEZ); and
- (g) if so, the details thereof?

Answer

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

(a) to (g): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (g) OF LOK SABHA STARRED QUESTION NO. 331 FOR ANSWER ON 02.12.2010 REGARDING FINANCIAL ASSISTANCE TO FPI.

(a): Ministry of Food Processing Industries is implementing a Scheme of Technology Upgradation/ Establishment/ Modernization of food processing industries for providing assistance to the entrepreneurs. Under this scheme, the receipt of applications, their appraisal, calculation of grant eligibility as well as disbursement of funds has been completely decentralized with effect from 01.04.2007. 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. A list of the proposals received in this Ministry through e-portal during last three years and current year State-wise is at Annexure- A.

(b): The details of the proposals cleared and pending under the Scheme of Technology Upgradation / Establishment/ Modernization of Food Processing Industries are at Annexure-B1 and B2.

(c): The clearance of the proposal under the Scheme of Technology Upgradation / Establishment/ Modernization of Food Processing Industries depends upon the availability of funds and other factors like receipt of requisite documents. Hence, it may not be possible to define a time frame for clearance of remaining applications. Total number of pending cases as on 21.11.2010 are 2425.

(d): 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 year 2007-08 of National Manufacturing Competitiveness Council, Government of India, the total number of registered food processing units functioning in various states including that of West Bengal at present is at annexure-C.

(e): Under the Scheme of Technology Upgradation/ Establishment/ Modernization of Food Processing Industries, financial assistance is provided for setting up of new food processing units as well as Technological Upgradation and Expansion of existing units in the country in the form of grant-in-aid @ 25% of the cost of plant and machinery and technical civil works subject to a maximum of Rs. 50.00 lakh in general area or @33.33% subject to maximum of Rs. 75.00 lakh in difficult areas such as Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Sikkim and North Eastern States, A&N Islands, Lakshadweep and ITDP areas. The details of financial assistance provided to the entrepreneurs/ implementing agencies in the various States in the country including that of West Bengal during last three years and current year is at Annexure-B1.

(f): No, Sir. However, in the 11th Plan, the Ministry has approved new scheme to establish 30 Mega Food Parks with a view to provide state-of-the- art infrastructure for food processing sector in the country on a pre-identified cluster basis with a strong backward and forward linkage and to provide value addition of agricultural commodities including poultry, meat, dairy, fisheries etc. in a demand driven manner. Financial assistance up to 50% of project cost excluding land component in general areas and 75% in difficult areas, subject to a maximum of Rs. 50.00 Crore is provided for setting up of Mega Food Parks

(g): Not applicable in view of (f) above.