

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

UNSTARRED QUESTION NO:2005

ANSWERED ON:08.03.2011

SETTING UP OF FOOD PROCESSING UNITS

Choudhary Shri Harish; Dharmshi Shri Babar Gajanan; Dutt Smt. Priya Sunil; Hazari Shri Maheshwar ; Naranbhai Shri Kachhadia; Singh Baba Shri K.C.; Singh Shri Dushyant; Singh Shri Ijyaraj

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

- (a) whether the Union Government has received proposals from various entrepreneurs/State Governments including Maharashtra, Rajasthan and Uttarakhand for setting up of Food Processing Industries (FPIs);
- (b) if so, the details thereof during each of the last three years and the current year, State-wise;
- (c) the details of the proposals cleared and pending for approval, State-wise;
- (d) the assistance provided by the Union Government for the purpose; and
- (e) the time by which the pending proposals are likely to be cleared?

**Answer**

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES (SHRI HARISH RAWAT)

(a): Yes, Sir.

(b) to (d): Earlier all the applications for such grants were received by the Ministry through the State Nodal Agencies under the scheme for Technology Upgradation/Establishment/Modernization of Food Processing Industries. 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 (FIs). The Bank/ FIs 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/ FIs, the Ministry sanctions the grant and transfer the funds through the e-portal.

The details of financial assistance extended to the units and number of units assisted under the scheme for Technology Upgradation/Establishment/Modernization of Food Processing Industries in the country including that of Maharashtra, Rajasthan and Uttarakhand during last three years and current year, state wise is at Annexure-1.

(e): The clearance of the proposal under the Scheme for 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.