

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

UNSTARRED QUESTION NO:3122
ANSWERED ON:15.03.2011
FUNDS FOR FOOD PROCESSING INDUSTRIES
Sethi Shri Arjun Charan

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

- (a) whether due to budgetary constraints the funds for Food Processing Industries (FPIs) under the scheme of Technology Upgradation/ Establishment/ Modernisation, could not be disbursed;
- (b) if so, the details of the funds pending for sanction in such cases in the country including State of Orissa;
- (c) whether some FPIs have not been sanctioned financial assistance while some of the FPIs which have applied later got the financial assistance;
- (d) if so, the details thereof and the reasons therefor, State-wise; and
- (e) the reaction of the Government thereto?

Answer

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

(a) & (b): Under scheme for Technology Upgradation/ Establishment/ Modernization of Food Processing Industries, during 2010-11, so far an amount of Rs. 96.56 crore has been disbursed as on 11.03.2011, however, due to Budgetary constraints 2681 cases including 33 cases from Orissa are pending at various stages as on 22.11.2010 with an amount of Rs. 731.73 crore as per the information furnished by HDFC Bank.

(c) & (d): Subject to availability of Budgetary resources, grant is sanctioned on receipt of e-portal request and requisite deficiency free documents. It may happen that in some cases due to delay in submission of deficiency free documents, grants may not have been sanctioned while some of the applicants applied later but submitted requisite documents may have been sanctioned grants.

(e): 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/ 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 appraise project and its recommendation for the release of grant is transmitted to the Ministry through e-portal established for this purpose. After the recommendation and requisite documents are received from the Bank/ FIs, the Ministry sanctions the grant and transfer the funds through the e-portal. The task of maintaining and compilation of data through e-portal has been assigned to HDFC Bank

Updated data is received from HDFC Bank from time to time and the same is put on Ministry's website in public domain. The data indicates all relevant fields including sector, state, name of applicant, amount disbursed, bank and details of installments etc. thus, making the system completely transparent.