

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

UNSTARRED QUESTION NO:3306

ANSWERED ON:23.08.2011

GRANTS FOR FOOD PROCESSING UNITS

Rathwa Shri Ramsinhbhai Patalbhai;Swamygowda Shri N Cheluvarya Swamy

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

- (a) the grants-in-aid provided to various Food Processing Units during the last three years, State-wise including Gujarat and Southern region;
- (b) whether the Government has received several proposals in this regard during the last three years and the current year;
- (c) if so, the number of proposals, out of the above, cleared so far, State-wise; and
- (d) the action taken/proposed to be taken on the remaining proposals, Statewise?

Answer

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES (DR. CHARAN DAS MAHANT)

(a): Under the Scheme for Technology Upgradation/ Establishment/ Modernization of Food Processing Industries, financial assistance is provided in the form of grants-in- aid for setting up of new food processing units as well as Technological Upgradation and Expansion of existing units in the country including Gujarat and Southern region. Ministry extends financial assistance in the form of grant-in-aid to 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. The state-wise details of financial assistance and number of units assisted in last three years and current year is at Annexure.

(b) to (d): 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.