

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

UNSTARRED QUESTION NO:1260
ANSWERED ON:29.11.2011
PROPOSALS FOR FOOD PROCESSING UNITS
Khairi Shri Chandrakant Bhaurao

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

- (a) whether the Union Government has received a number of proposals from the various State Governments including Maharashtra for setting up food processing units and such proposals are still pending;
- (b) if so, the details thereof alongwith the reasons for the pendency; and
- (c) the time by which a decision is likely to be taken on these proposals?

Answer

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

(a) to (c): No such proposals have been received from the State Governments directly. Ministry of Food Processing Industries (FPIs) under its Plan Scheme for Technology Upgradation/ Establishment/ Modernization of FPIs extends the financial assistance for setting up of new food processing units as well as technological upgradation and expansion of existing units in the country. Ministry extends financial assistance in the form of grants-in-aid to entrepreneurs @ 25% of the cost of Plant and Machinery and Technical Civil Works subject to a maximum of Rs. 50 lakhs per project in general areas and @ 33.33% subject to maximum of Rs. 75 lakhs per project in difficult areas.

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/ FIs would then appraise the project, calculate the eligible grant amount as per the guidelines of the scheme and recommend for release of grant to the Ministry through e-portal set up for this purpose. After receipt of the recommendations and requisite documents from the Bank/ FIs, the Ministry sanctions the grant and transfer the funds through the e-portal to the concerned applicant through Nodal Bank. Some applications are pending for disbursement for want of funds. In 11th Plan, Ministry has supported 492 units for Maharashtra so far.