

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

UNSTARRED QUESTION NO:1312

ANSWERED ON:13.08.2013

GRANTS TO FOOD PROCESSING UNITS

Bavalia Shri Kuvajibhai Mohanbhai;Das Shri Bhakta Charan;Maadam Shri Vikrambhai Arjanbhai;Vishwanath Shri Adagur H

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

- (a) the total amount sanctioned to the food processing units as grants during each of the last three years in the country, State-wise;
- (b) the outcome of such grants and benefits to the people in terms of employment generation, processed products and income generation for the producers of raw material;
- (c) whether the Government has received any complaints regarding misuse of the grants;
- (d) if so, the details thereof and the action taken by the Government including the measures taken to curb such incidents; and
- (e) the number of units given grants but closed down along with the action taken by the Government in this regard?

**Answer**

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

(a): Under the scheme of Technology Upgradation/Establishment /Modernization of food processing industries implemented during the 11th Plan, financial assistance has been provided to the food processing units @25% of the cost of Plant & Machinery and Technical Civil Works subject to a maximum of Rs. 50 lakhs in general areas and @33.33% subject to a maximum of Rs. 75 lakhs in difficult areas i.e. North-Eastern States, J&K, Uttrakhand, Himachal Pradesh, Sikkim, Andaman & Nicobar Islands, Lakshadweep and Integrated Tribal Development Projects (ITDP) Areas. The details of grants sanctioned to the food processing units State-wise during each of the last 3 years are at Annexure. However, the above Scheme of Technology Upgradation/ Establishment/ Modernisation of Food Processing Industries has been subsumed in the newly started Centrally Sponsored Scheme of National Mission on Food Processing (NMFP) in the 12th Plan (w.e.f. 01.04.2012).

(b): The benefits to the people in terms of employment generation, processed products and income generation for the producers of raw materials are not centrally maintained by the Ministry of Food Processing Industries. However, the total employment in the sector is 64.55 lakhs during 2010-11 both for registered Food Processing Industries and for unorganized Food Processing Industries. (Source: Annual Survey of Industries and NSSO 67th Round, 2010-11).

(c) & (d): Under the Scheme for Technology Upgradation/ Establishment/ Modernization of FPIs complaints have been received regarding mis-appropriation of funds. The application and the credentials indicated therein are verified by the nodal banks before approving the application and authorizing through e-portal as banks are invariably extending the term loan to the applicants. Besides, initial verification, if Government finds that applicant has not followed the guidelines or applicant's eligibility is doubtful, further verification is done to ascertain the genuineness of the claim. If the claim is found to be ineligible, the application is rejected after citing reasons therefor. The details of the agencies and the action taken is as under:

S. No.	Name of Agency	Nature of Complaints	Action taken
1.	M/s Khadi Ashram Sewa Sansthan, Sultanpur (U.P.)	Complaint by Mohd. Shaheed Akhlak, Hon'ble Member of Parliament (Lok Sabha) regarding misappropriation of public fund.	Legal Action has been taken to recover the amount released.
2.	M/s Little Bee Impex, Village Mallipur, G.T. Road, Doraha, Dist. Ludhiana, Punjab	Complaint by Shri Sukhvinder Singh stating that the partners/ Directors are inter-related.	The State Bank of India has been asked to refund the amount lying with them as Fixed Deposit in accordance with the guidelines of the scheme.
3.	Kashmir Apiaries Pvt. Ltd., G.T. Road, Doraha, Ludhiana,	Complaint by Shri Sukhvinder Singh stating that the partners/ Directors are	The Axis (UTI) Bank Ltd has been asked to refund the amount

Punjab inter- related. lying with them  
as Fixed Deposit in  
accordance with the  
guidelines of the scheme.

(e): The data regarding closed food processing units, after availing the grants, is not maintained by the Ministry.