

No.1-42/2005-PC
Government of India
Ministry of Food Processing Industries
Panchsheel Bhavan, August Kranti Marg
New Delhi-1100049

Dated: the 13th August 2007

To

Branch Manager
State Bank of India
Nizamabad Branch
Godown Road, Nizamabad
Dt. Nizamabad-503001

Sub: Proposal received from M/s Sri R.K. Modern Rice Mill, Nizamabad, for MFPI grant for setting up of Rice Milling Unit at Nizamabad – regarding.

Sir,

I am directed to refer to your letter dt. 23rd July 2007 regarding the application received from M/s Sri R.K. Modern Rice Mill, Nizamabad, for MFPI grant for setting up of Rice Milling Unit at Nizamabad. In your letter it has been indicated that the unit has already applied for capital subsidy under the "Credit Linked Capital Subsidy Scheme for Technology Upgradation of Small Scale Industries" under the Ministry of SSI&ARI, Government of India, and that they have been sanctioned a grant of Rs.15.00 lakhs and the first instalment of Rs.10,29,710.77 has been released to the unit on 22nd June 2007. It has also been indicated in your letter that the unit will return the grant received from the Ministry of SSI&ARI and would instead like to avail the subsidy of Ministry of Food Processing Industries.

2. In this regard, it may be mentioned that under Rule 209(1) of General Financial Rules of the Government of India, a unit cannot receive assistance from more than one Government agency Central or State for the same purpose. MFPI assistance is given on the precondition that the applicant unit has not applied for or will not apply from any other Central or State Govt. agency. Hence, the unit having applied and obtained subsidy from another Central Government Ministry for the same purpose/activity is ineligible for MFPI subsidy in the first place. The Ministry's existing guidelines do not provide for surrendering a subsidy already obtained by the unit to become eligible for the MFPI grant. In view of the above, since the unit has already received assistance from the Ministry of SSI&ARI of the Government of India, they are not eligible for assistance of the Ministry of Food Processing Industries for the same purpose even if they are willing to return the subsidy already obtained by them from the Ministry of SSI&ARI.

3. You may, therefore, inform the unit that they are not eligible for assistance from the Ministry of Food Processing Industries for the purpose.

Yours faithfully,

Sd/.....

(M. Jayaraman)

Under Secretary to the Govt.of India

Tel. No. 26497637

Copy to : Dir(AK) along with the application received from the unit, for record/ necessary action.

Copy also to: (1) Shri V. Srinivasan/ Krishnaswamy, Dy. General Manager, SBI, SME Business Centre, State Bank Bhawan, Madam Cama Road, Mumbai-400021

2. Shri C.L. Bisherwal, Asst.General Manager (DBD), Chandni Chowk Branch, Delhi-110006.