

BY Fax/Speed Post

No.1-42/2005-PC
Government of India
Ministry of Food Processing Industries
Panchsheel Bhawan, August Kranti Marg,
New Delhi-110049

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Dated : 27th August 2007

To

1. State Bank of Hyderabad
2. State Bank of Patiala
3. State Bank of Indore
4. State Bank of Saurashtra
5. ICICI Bank
6. Standard Chartered Bank
7. Karur Vysya Bank Ltd.

Subject: Decentralization of the Scheme for Technology Upgradation/Establishment/Modernization, expansion of Food Processing Industries – Inclusion of more banks -reg.

Sir,

I am directed to refer to your letter on the above subject and to say that the Ministry of Food Processing Industries has been operating a Plan Scheme for Technology Upgradation/Establishment/Modernization of Food Processing Industries during the 10th Plan period providing financial assistance for technology upgradation, establishment, modernization and expansion of food processing industries. The implementation of the above scheme has been decentralized through banks and other financial institutions from the current financial Year 2007-08 ie. with effect from 1st April 2007. In this regard, the relevant guidelines of operation of the scheme is enclosed. The detailed guidelines in this regard are also available on Ministry's website www.mofpi.nic.in under "Decentralization of Plan Scheme". The Banks who wish to participate in the scheme have to follow the procedure mentioned in these guidelines and other instructions issued from time to time through letters/web portal. They should also communicate the name of the Focal Point branch, its address and designation and name and contact details of the nodal officer who will be interacting with the Ministry on the matter, his e-mail address, etc. for facilitating communication in future.

2. Although, initially, 27 Banks were included under the scheme, it has now been decided to include all the scheduled commercial banks for participation under the scheme for processing and disbursement of grant. As indicated in para 6(ii) and (iii) of the guidelines, the scheduled commercial Banks may also co-opt other Co-operative/Commercial/ Regional/Rural Banks /Financial Institutions as Primary Lending Institutions (PLIs) under the scheme for sanction and disbursement of grants so as to increase the coverage of the scheme.

3. The Ministry is in the process of putting in place an e-portal system for on-line interface between the participating banks and the Ministry for providing information on the applications received by them, status of their processing/approval and claim for funds for disbursal of grant approved by the banks and transfer of funds for disbursal of grant by the Ministry to the banks through e-portal. This is likely to become operational in the first week of September 2007. Till such time this arrangement is made, the banks may process the grant and send the details of the grant approved to the Ministry to Shri S.K. Lohani, Director (Fax:011-26492176; e-mail: sk.lohani@nic.in) or by post in the format in Annexure III (copy enclosed) to the guidelines which is available in the Ministry's website indicated above. The grant sanctioning bank branch shall ensure that the grants are calculated, sanctioned and disbursed strictly as per the guidelines. In regard to the Computer Number indicated therein, till such time e-portal is established, the banks may provide a temporary No. (eg. Temp.No.1/SBI/Durgapur Br./Br. Code No./Month/2007). The disbursal of the first installment of grant will be due only after the unit has utilized 50% of promoter's contribution and Term Loan. However, the bank may send a report to the Ministry in the above format with suitable updation on (i) receipt of the application (ii) approval of the grant and (iii) when the grant is due for disbursal (ie.1st Installment) for transfer of funds.

4. The Ministry will be organizing regional workshops to sensitize the officers at branch levels on the implementation of the scheme wherein the operational modalities including method of calculation of grant, etc. will be explained. The date and venue for the next workshop will be intimated separately as well as

through the Ministry's web portal. In case of any further clarifications, the banks may contact through e-mail or by post/phone the contact officer mentioned above.

Yours faithfully,

(S.K. Lohani)
Director
Tel:26494032

List of Addresses

1. Shri R. Sukumar, General Manager,
The Karur Vysya Bank Ltd.,
Credit Management Department,
Central Office, Erode Road,
Karur, 639 002, Tamil Nadu,
(Fax No.04324-225024)
2. General Manager(Planning & Development)
State Bank of Hyderabad, S.M.E. Department
H.O. Gunfoundry, Hyderabad-500001
3. Dy.General Manager(D&RB)
State Bank of Patiala
H.O. The Mall, Patiala-147001
(Fax No. 0175-222354365)
4. General Manager(P&D)
State Bank of Saurashtra
Small & Medium Enterprises Deptt.
H.O. Nilambaug Chowk, Bhavnagar-364001
(Fax No.0278-2520887)
5. Shri S. Karthikeyan, Chief Manager, ICICI Bank.
6. State Bank of Indore.
7. Shri T. Rajasekhar, Product Manager, SME Banking,
Standard Chartered Bank, Head Office, 23-25,
MG Road, Mumbai – 400001. Ph:9522-22792529.