

# NBFC to exclusively fund food processing sector 'by year-end'

## OUR BUREAU

Kolkata, July 13

Food Processing Industries Minister Harsimrat Kaur Badal on Friday said a non-banking finance company (NBFC), to exclusively cater to the needs of the food processing sector, will be operational by the year-end.

The NBFC, which is likely to be named Agro-Processing Financial Institution, would entail an investment of about ₹2,000 crore. The government will pick up 20-per cent equity and invest a seed fund of close to ₹400 crore. The remaining will come

from the private sector. "The RFP (Request for Proposal) is likely to be floated by the end of this month. There is a lot of interest from the private sector not just nationally but globally (to invest in the entity). We hope the NBFC would be operational by end of this year," she told newsmen on the sidelines of an interactive session organised by the Indian Chamber of Commerce here on Friday.

While there is a huge growth potential for the sector, access to bank funds has been difficult. This is primar-

ily because banks fail to understand the risk assessment. Only about 10 per cent of India's farm produce is currently processed as against 60-70 per cent globally, leading to huge wastages, she pointed out.

According to Badal, there have 'hardly been proposals' from the food processing industry in West Bengal under the Central government schemes.

The Centre has earmarked ₹6,000 crore under the Pradhan Mantri Kisan SAMPADANA Yojana (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters) for the period 2016-2020.

"Under the scheme we have a quota for each State. There have been so many proposals from Maharashtra, Gujarat, Andhra Pradesh and others, but I haven't received any proposals from Bengal. I hope the State government takes the lead in helping farmers improve their income," she said.



Food Processing Industries Minister Harsimrat Kaur Badal addressing an interactive session in Kolkata DEBASISH BHADURI