

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

UNSTARRED QUESTION NO:2787

ANSWERED ON:12.12.2005

INVESTMENT IN FP SECTOR

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

- (a) whether the Government proposes to allow private investment in the food processing sector;
- (b) if so, the details thereof;
- (c) whether the target has been fixed for the amount of investment to be made in the next ten years;
- (d) if so, the amount of private investment targeted to be made;
- (e) whether the target for the share of the private sector has been fixed; and
- (f) if so, the details thereof; and (g) the time by which the said scheme is likely to be finalized?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI)

(a) to (g): No permission of the Ministry of Food Processing Industries is required for private investment in the food processing sector. However, for attracting investment and for promotion of the Food Processing Industries in the country, Government has implemented several Plan Schemes. Under these schemes financial assistance is provided for establishment and modernization of the food processing units, creation of infrastructure, support for R&D, human resource development besides other promotional measures to encourage development of food processing industries. Recently in 2004-05 Government has allowed under Income Tax Act, a deduction of 100% of profit for five years and 25% of profits for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables. Excise duty on processed fruits & vegetable products has been waived so as to attract investment from private sector.