

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

UNSTARRED QUESTION NO:3694
ANSWERED ON:23.08.2004
MODERNISATION OF FPI
Channappa Shri Kunnur Manjunath

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

- (a) whether any innovative measures were undertaken by the Government to modernize the Food Processing Industries (FPI); and
(b) if so, the details thereof?

Answer

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

(a) & (b): With a view to give a boost to Food Processing Industries major tax concessions have been announced on 8th July, 2004. This shall boost investment as well as innovation in the sector. The major concessions are:

- i) 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 & vegetables, under Income Tax Act.
ii) Excise duty of 16% on dairy machinery has been waived.

The Ministry also extends financial support for modernisation of Food Processing Industries, as well as Research and Development Projects in this sector.