

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

UNSTARRED QUESTION NO:1223
ANSWERED ON:04.03.2010
TAXATION ON PROCESSED FOOD
Sarvey Shri Sathyanarayana

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

- (a) whether the Government has any proposal to bring down taxation on processed food to the four per cent tax bracket;
- (b) if so, the details thereof; and
- (c) the steps taken in this regard?

Answer

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

(a) & (b): Representations were received from Trade and Industry Associations to exempt cakes, pastries chocolates, sugar confectionary, biscuits, ice-cream, and juices from excise duty.

(c): A large number of food items such as fruit pulp or fruit juice, biscuits of retail sale price less than Rs. 100 per kg and ice cream and non-alcoholic beverage, prepared and dispensed by vending machine is already fully exempt from excise duty. Sugar confectionary (excluding white chocolate and bubble gum), biscuits of retail sale price more than Rs. 100 per kg, pastries and cakes, wafer biscuits already attract 4% excise duty. As regards other items, the same were examined as part of Budget 2010-11 and after taking into account all relevant factors it was not found feasible to accede to the requests.