

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

UNSTARRED QUESTION NO:2139  
ANSWERED ON:27.03.2012  
R&D IN FOOD PROCESSING SECTOR  
Rani Killi Krupa

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

- (a) whether any steps has been taken to promote Research and Development (R&D) activities in the food processing sector;
- (b) if so, the details thereof during each of the last three years and the current year;
- (c) whether the Government is providing any investment linked incentives for inhouse R&D expenditure incurred by the companies in the sector; and
- (d) if so, the details thereof alongwith the steps taken/being taken by the Government in this regard?

**Answer**

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES (Dr. CHARAN DAS MAHANT)

(a): Yes, Madam.

(b): To promote R&D activities in the Food Processing Sector, Ministry of Food Processing Industries extends financial assistance as grant-in-aid to Research Institutes/Universities, Public Funded organizations both in public and private sectors, to promote and undertake demand driven R&D work in the field of Food Processing for product and process development and improved packaging.

During each of the last three years and the current year, following number of projects were assisted

S.No	Year	No. of New Projects	Assistance provided (Rs. Lakhs)
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1.	2008-2009	10	376.47
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2.	2009-2010	9	196.88
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3.	2010-2011	10	222.51
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4.	2011-2012	11	331.82
	(Current Year upto 21.3.12)		

TOTAL	40	1127.68
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(c): Yes, Madam.

(d): To further encourage R & D across all sector of the economy in the Union Budget 2011-12, weighted deduction on expenditure incurred on in-house R & D has been enhanced from 150% to 200%. Further, weighted deduction on payments made to National Laboratories, Research Associations, Colleges, Universities and other institutions for scientific research enhance from 125% to 175%. To this effect Ministry of Finance has issued the amendment of section 35 AD of Finance Act 2011. This incentive would give boost to R&D activities of all sectors.