

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

UNSTARRED QUESTION NO:5052
ANSWERED ON:23.12.2014
BUSINESS OF COLD DRINKS COMPANIES
Bhagat Shri Bodh Singh

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

- (a) whether the American companies such as Pepsi, Coca Cola, Nestle have submitted any application to do business in the food processing sector in the country;
- (b) if so, the details thereof; and
- (c) the action taken by the Government in this regard?

Answer

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES (SADHVI NIRANJAN JYOTI)

(a): Foreign Direct Investment (FDI) is permissible in food processing sector up to 100 per cent through automatic route except for items reserved for Micro and Small Enterprises (MSEs) subject to applicable laws/ regulatory, securities and other conditionality. For manufacture of items reserved for MSEs, FDI is permissible under automatic route up to 24 per cent of the capital. Only when foreign investment is more than 24 per cent for production of items reserved for MSE segment, Industrial License under Industries (Development & Regulation), Act 1951 is required.

(b)&(c): Does not arise in view of the reply to (a) above.