

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 250
ANSWERED ON 1ST DECEMBER, 2015

INVESTMENT IN COLD CHAINS

250. SHRI RAJESHBHAI CHUDASAMA:

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

- (a) the number and value of investment proposals received and approved by the Government for setting up of cold chains in the country after the revised guidelines for the Eleventh Five Year Plan came into effect, year-wise and State-wise;
- (b) the number and value of foreign direct investment proposals received in this regard; and
- (c) whether the Government has any proposal to attract greater investment for setting up of cold chains and if so and the details thereof?

ANSWER

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES

(SADHVI NIRANJAN JYOTI)

(a): The revised guidelines for the Scheme for Cold Chain, Value Addition and Preservation Infrastructure for the Eleventh Five Year Plan came into effect from 18.03.2010. Year-wise and State-wise details of number and value of investment proposals approved by Ministry of Food Processing Industries under these revised guidelines is at **Annexure-I**.

(b): The Ministry has not received any proposal for foreign direct investment under the above said scheme.

(c): To attract investment in cold chain infrastructure, the Ministry of Food Processing Industries is implementing the Central Sector Scheme of Cold Chain, Value Addition and Preservation Infrastructure since 2008-09. The scheme has provision for providing financial assistance for setting up of integrated cold chain infrastructure for arresting post harvest losses of horticulture & non-horticulture produce. The scheme is primarily private sector driven wherein financial assistance @ 50% of the total cost of plant & machinery and technical civil works in general areas and 75% for NE region and difficult areas (North Eastern states, Sikkim, J&K, Himachal Pradesh and Uttarakhand) subject to a maximum grant-in-aid of Rs 10 crore per project is provided for setting up the cold chain infrastructure in the country. Integrated cold chain and preservation infrastructure can be set up by individuals, groups of entrepreneurs, cooperative societies, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs), NGOs, Central/State PSUs, etc.

In addition, National Horticulture Mission (NHM), National Horticulture Board (NHB), and National Cooperative Development Corporation (NCDC) under Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture & Farmers Welfare and Agricultural and Processed Food Products Export Development Authority (APEDA) under Department of Commerce, Ministry of Commerce and Industries, Government of India are also providing assistance for setting up cold storages under their respective schemes. Various other incentives provided by the Government to promote this sector are at **Annexure-II.**

Annexure-I**ANNEXURE REFERRED TO IN REPLY TO PART (a) OF LOK SABHA UNSTARRED QUESTION NO. 250 FOR 1ST DECEMBER, 2015
REGARDING INVESTMENT IN COLD CHAINS****Year-wise and State-wise number and value of investment proposals approved by MoFPI for setting up of Cold Chain infrastructure after the
issue of revised guidelines for the Eleventh Plan with effect from 18.03.2010**

State	2011-12		2012-13		2013-14		2014-15	
	No. of proposals approved	Value of investment/ project cost (Rs. in lakh)	No. of proposals approved	Value of investment/ project cost (Rs. in lakh)	No. of proposals approved	Value of investment/ project cost (Rs. in lakh)	No. of proposals approved	Value of investment/ project cost (Rs. in lakh)
Andhra Pradesh	1	2943.10	1	3200.00	1	3082.00	1	3690.00
Assam	0	0	1	1595.90	1	1399.51	0	0
Bihar	0	0	0	0	0	0	1	2116.00
Chhattisgarh	0	0	2	3933.33	0	0	0	0
Gujarat	2	3630.00	1	1515.16	4	20501.79	2	5124.00
Haryana	0	0	2	4340.25	1	1591.91	4	13825.00
Himachal Pradesh	4	6448.68	0	0	4	7101.25	0	0
Jammu & Kashmir	0	0	0	0	3	4400.76	1	1499.00
Karnataka	1	1400.00	0	0	2	2775.00	0	0
Kerala	3	7194.91	0	0	0	0	0	0
Madhya Pradesh	0	0	1	1722.44	2	4756.09	1	2975.00
Maharashtra	4	13537.22	5	12626.00	16	40585.36	2	6390.00
Manipur	1	1849.00	0	0	0	0	0	0
Mizoram	1	519.77	1	1726.22	0	0	0	0
Odisha	0	0	0	0	1	1345	1	2357.00
Punjab	2	6334.91	1	2880.72	4	11762.52	5	13725.00
Rajasthan	0	0	0	0	2	6147.00	1	250.00
Tamil Nadu	0	0	0	0	0	0	1	2475.00
Uttar Pradesh	3	4728.92	1	2706.00	2	7775.00	3	6204.00
Uttarakhand	1	1480.00	1	1740.39	7	11403.44	5	9130.00
West Bengal	4	9985.30	1	1627.84	1	1767.36	2	4670.00
Total No. of Projects Approved	27	60051.81	18	39614.25	51	126393.99	30	74430.00

ANNEXURE REFERRED TO IN REPLY TO PART (c) OF LOK SABHA UNSTARRED QUESTION NO. 250 FOR 1ST DECEMBER, 2015 REGARDING INVESTMENT IN COLD CHAINS

Details of various other incentives provided by the Government to the cold chain sector

- Services of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labelling of fruits and vegetables have been exempted from Service Tax in Budget 2015-16.
- Loans to food & agro-based processing units and Cold Chain have been classified under Agriculture activities for Priority Sector Lending (PSL) as per the revised RBI Guidelines issued on 23/04/2015.
- Under Section 35-AD of the Income tax Act 1961, deduction to the extent of 150% is allowed for expenditure incurred on investment for (i) setting up and operating a cold chain facility; and (ii) setting up and operating warehousing facility for storage of agricultural produce.
- Government has extended Project Imports' benefits to cold storage, cold room (including for farm level pre-cooling) or industrial projects for preservation, storage or processing of agricultural, apiary, horticultural, dairy, poultry, aquatic and marine produce and meat. Consequently, all goods related to Food Processing, imported as part of the project, irrespective of their tariff classification, would be entitled to uniform assessment at concessional basic customs duty of 5%.
- Refrigeration machineries and parts used for installation of cold storage, cold room or refrigerated vehicle, for the preservation, storage, transport or processing of agricultural, apiary, horticultural, dairy, poultry, aquatic and marine produce and meat under Tariff Head: Chapter 84 are exempted from Excise Duty.
- Construction, erection, commissioning or installation of original works pertaining to post-harvest storage infrastructure for agricultural produce including cold storages for such purposes are exempted from Service tax.
- Capital investment in the creation of modern storage capacity has been made eligible for Viability Gap Funding scheme of the Finance Ministry. Cold chain and post-harvest storage has been recognized as an infrastructure sub-sector.