



ALL INDIA FOOD PROCESSORS' ASSOCIATION

Ref. No. 65-II/Budget-2011/

Date: 21st Feb, 2011

SOS MESSAGE

Dr. Manmohan Singh
Hon'ble Prime Minister of India
South Block, Raisina Hill,
New Delhi,
India-110 101.

Sub. :- Last minute urgent reminder regarding Union Budget - 2011-12
- in respect of likely levy of Excise Duty on perishable food products

Respected Sir,

All India Food Processors' Association (AIFPA) is an apex **Association** of small, medium and large food manufacturers in the country. The Association has a wide membership base of food manufacturing units in the country including a number of **Associations** affiliated to us each having a large membership base of food manufacturers.

For some time now we have been reading in the news and hearing that there is a proposal to levy **Excise Duty** on **perishable food products** which are presently exempted.

We may bring to your kind notice that Food Processing Industries contribute in a big way to create employment in the agro-sector because of processing of perishable agri-produce thereby preventing it from huge wastages, leading to national savings worth thousands of crores of rupees. Development of Food Processing Industries is synonymous with growth and prosperity which is a must for **inclusive growth**.

Any move to levy Excise Duty on perishable food products will not be in line with the intention and purpose of giving exemptions to **perishable processed food items which has been very thoughtfully provided by the Govt. so far**. It may also be kindly appreciated that even though the perishable food products are exempted from Excise Duty so far, the processed foods industry in the country is taxed by way of VAT and Taxes on inputs etc. It is humbly submitted that the perishable food processing is not economically viable at the present to bear any levy of Excise Duty on its food products.

Sir, you would agree that in the recent months, the level of food inflation has spiraled. The proposal, if any, to levy **Excise Duty** on the **foods products will be highly risky** and needs to be, reconsidered. Moreover, this unwarranted sharp increase in inflation has already put pressure on operations of the foods manufacturers. Therefore, any budget proposal to levy Excise Duty on perishable food products would require the industry to raise prices which will aggravate **the already volatile food inflation levels prevailing in the country** leading to instability in perishable food products.

We once again reiterate that **(a)** for inclusive growth of rural economy, **(b)** employment generation, **(c)** reducing wastages in perishable agri-produce and **(d)** most important to control food inflation, it is suggested to maintain the prevalent exemptions on food products and also consider exempting a few more food products which are not exempted so far.

Thanking you,

Yours Sincerely,

(Dr. S. Jindal)
Chairman Taxation Committee, All India Food Processors' Association

ALL INDIA FOOD PROCESSORS' ASSOCIATION
206, Aurobindo Place, Hauz Khas, New Delhi – 110 016
Tel:- 011-26510860/26518848, Telefax : 011-26510860
E-mail:- aifpa@vsnl.net, Website:- www.aifpa.net



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SOS MESSAGE

Shri Pranab Mukherjee
Honorable Minister of Finance
Govt of India
North Block
New Delhi

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**The Secretary (Revenue)
Ministry of Finance
Govt of India
New Delhi – 110 011**

**Sub. :- Last minute urgent reminder regarding Union Budget - 2011-12
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SOS MESSAGE

Shri Sharad Pawar
Hon'ble Union Minister of Agriculture & Food Processing Industries
Government of India
Panchsheel Bhawan, August Kranti Marg
New Delhi – 110 049

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Shri Harish Rawat
Hon'ble Minister of State for Food Processing Industries
Ministry of Agriculture & Food Processing Industries,
Govt. of India
9, Teen Murti Lane
New Delhi-110011

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