

The National Institutes Food Technology, Entrepreneurship and Management Act, 2021: A Critical Analysis

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ABSTRACT

India's vast agricultural landscape and growing population present both challenges and opportunities for its food processing sector. This paper critically examines the National Institutes Food Technology, Entrepreneurship and Management Act, 2021 in India, highlighting systemic strengths, gaps, and potential. While significant strides have been made in developing technological innovations in food preservation, safety, and packaging, their translation into widespread industry practices remains uneven due to infrastructural constraints and policy disconnects. Food management systems suffer from inefficiencies in supply chains, leading to substantial post-harvest losses and market volatility. At the same time, entrepreneurial ecosystems in food processing are gaining traction, driven by government through various schemes and initiatives promoting startups. However, regulatory complexity, limited access to finance, and lack of skilled manpower hinder scale and sustainability. In this backdrop, The National Institutes Food Technology, Entrepreneurship and Management Act, 2021 address these issues on priority. This paper argues that a holistic integration of technology, education, industry collaboration, and policy reforms to transform India into a global leader in food innovation and agro-entrepreneurship is bedrock for the robust system. The paper highlights the need for interdisciplinary training, incubation support, and institutional autonomy—as reflected in the National Institutes of Food Technology, Entrepreneurship and Management Act, 2021—to bridge gaps between research, market, and rural development.

Key Words: Food, Technology, Entrepreneurship, Management, Law

INTRODUCTION

India, one of the world's largest producers of food and agricultural commodities, stands at a critical juncture where innovation in food technology, efficient management practices, and entrepreneurial ventures are essential to address challenges of food security, nutrition, and value addition. With over 60% of its population engaged in agriculture and a rapidly growing middle class demanding safe, processed, and diverse food products, the country's food sector is poised for transformation. However, this potential is impeded by structural inefficiencies such as post-harvest losses, fragmented supply chains, limited access to cold storage, and inadequate technology transfer from research to market.

The development of food technology—including processing, preservation, packaging, and safety—can play a vital role in reducing waste and improving food availability. At the same time, sound management practices are required to streamline operations, improve logistics, and ensure quality assurance across the value chain. Furthermore, the emergence of entrepreneurship in food processing,

particularly among rural youth and women, has the power to drive employment, innovation, and inclusive growth.

Despite policy interventions and institutional support, including the enactment of the *National Institutes of Food Technology, Entrepreneurship and Management Act, 2021*, several gaps remain in integrating academic knowledge, industrial practices, and entrepreneurial ecosystems. This paper critically analyses these three interlinked pillars—technology, management, and entrepreneurship—to evaluate India's current capabilities, challenges, and future directions in building a robust, self-sufficient, and globally competitive food sector.

BACKGROUND OF THE ACT

India's food processing sector has long been recognized as a vital link between agriculture and industry, with the potential to reduce post-harvest losses, enhance value addition, improve food security, and generate employment. However, until recently, the institutional support for education and research in this domain lacked formal national recognition and legislative backing. The background of The National Institutes of Food Technology, Entrepreneurship and Management Act, 2021 lies in the need to bridge this gap and strengthen academic excellence, innovation, and entrepreneurship in the food sector.

Two premier institutes—the National Institute of Food Technology Entrepreneurship and Management (NIFTEM), Kundli (Haryana) and the Indian Institute of Food Processing Technology (IIFPT), Thanjavur (Tamil Nadu)—were established under the aegis of the Ministry of Food Processing Industries. These institutes served as leading centers for education, research, and industrial collaboration in food technology and management. However, despite their excellence, they operated without the status of institutions of national importance, which limited their autonomy, funding, and outreach.

Recognizing the growing demand for skilled manpower, advanced research, and entrepreneurship in food processing, the Government of India introduced this Act to elevate stature of these institutions. The new Act officially granting both institutes the status of "Institutions of National Importance." This legislative move aligns with India's broader policy goals such as Atmanirbhar Bharat (Self-Reliant India), Doubling Farmers' Income, and enhancing the ease of doing agri-business. By empowering these institutes with greater academic, financial, and administrative autonomy, the Act aims to create a robust framework for interdisciplinary education, industry-led research, and entrepreneurial development in the food sector.

OBJECTIVES OF THE ACT

The National Institutes of Food Technology, Entrepreneurship and Management Act, 2021, enacted by the Indian Parliament and receiving Presidential assent on 30th July 2021, marks a significant milestone in the country's pursuit of academic and industrial excellence in the food processing sector. The Act confers the status of "institutions of national importance" upon select institutions, thereby enhancing their role in research, innovation, and education. The primary aims of the Act are to: (a) Elevate select institutes to a national level of academic importance; (b) Provide structured and high-quality instruction, training,

and research in food technology, entrepreneurship, and management; (c) Enable institutes to foster innovation, entrepreneurship, and industry collaboration in food processing and allied sectors.

RESULTS

Establishment of the Institutions Covered

The Act upgrades the following existing institutions into statutory national-level institutions: (1) National Institute of Food Technology Entrepreneurship and Management (NIFTEM), Kundli, Haryana; (2) Indian Institute of Food Processing Technology (IIFPT), Thanjavur, Tamil Nadu. These institutions are renamed respectively as: (a) National Institute of Food Technology, Entrepreneurship and Management, Kundli, Haryana; (b) National Institute of Food Technology, Entrepreneurship and Management, Thanjavur, Tamil Nadu.ⁱ Section 4 of the Act gives legal personality to the institutions, meaning they function like independent legal bodies (like companies or universities). They can own property, sign contracts, go to court, and continue existing beyond the tenure of any individual administrator. It ensures institutional autonomy, stability, and legal clarity.

Non-Profit Legal Entity and Self Sufficiency

The Act mandates that “Each Institute shall be a not-for-profit legal entity and no part of the surplus, if any, in revenue of the Institute, after meeting all expenditures in regard to its operations under this Act, shall be invested for any purpose other than for the growth and development of the Institute or for conducting research therein.” The Act also obligates that “Each Institute shall strive to raise funds for self-sufficiency and sustainability.”

Powers and Functions of the Institutes

The new Act is very comprehensive in terms of powers and functions of the institutes. The broader powers and functions of the institutes are as follows:ⁱⁱ (a) to take decision on questions of policy relating to the administration and working of the Institute; (b) to examine and approve the annual budget estimates of the Institute; (c) to examine and approve the plan for development of the Institute and to identify sources of finance for implementation of the plan; (d) to establish departments, faculties or schools of studies and initiate programmes or courses of study at the Institute; (e) to set-up centres of food processing studies and allied areas within the country after approval of the Central Government; (f) to grant degrees, diplomas and other academic distinctions or titles, and to institute and award fellowships, scholarships, prizes and medals; (g) to confer honorary degrees in such manner as may be specified by the Statutes; (h) to grant honorary awards and other distinctions; (i) to create academic, administrative, technical and other posts and determine, by Statutes, the qualification, classification, terms and conditions of service and method of appointment of such posts; (j) to set-up centres of food processing studies and allied areas outside India in accordance with the guidelines laid down by the Central Government from time to time and in accordance with the provisions of the laws for the time being in force in such foreign country; (k) to pay, variable pay to the Director of the Institute on the basis of performance objectives as may be specified by the Statutes; (l) to make, amend and repeal the Statutes; (m) to consider and modify or cancel the

Ordinances; and (n) to exercise such other powers and perform such other functions as may be conferred on or assigned to it by this Act or the Statutes.

Governance Structure

A well-ordered administration reflects the discipline and vision of its leadership. In fact, in administration, a well-structured system is not limitation, but it is foundation for the better system. The new Act modelled on this well structure administrative system. The governance model of the new Act includes: (a) A Board of Governors as the principal executive body; (b) A Senate as the principal academic authority; (c) A Council at the national level to coordinate and guide policies. The Board comprises eminent experts, government officials, and institute faculty, and has the power to frame policies, approve budgets, and review institutional performance.ⁱⁱⁱ

Inclusion and Equity

A government that listens to all voices governs best. An inclusive administration reflects the diversity of the society it serves. These basic philosophies of administration are injected to this Act. The Institutes are mandated to: (a) Remain open to all, regardless of gender, caste, creed, or class; (b) Follow a merit-based and transparent admission process; (c) Provide reservations and special provisions for underprivileged groups under the Central Educational Institutions (Reservation in Admission) Act, 2006.^{iv}

Financial and Audit Provisions

The Funding may be received from the Central Government, donations, and self-generated sources. The CAG (Comptroller and Auditor General) mandated to conduct audit the accounts of the institutes. The Act obligates that Institutes must maintain a Fund and present annual accounts to Parliament.^v

Tribunal Arbitration

If any dispute arising out of a contract between the Institute and any of its employees shall, at the request of the employee concerned or at the instance of the Institute, be referred to a Tribunal of Arbitration.^{vi} The Tribunal is consisting of one member appointed by the Institute, one member nominated by the employee concerned, and an umpire appointed by the Central Government. The decision of the Tribunal of Arbitration shall be final, and no suit shall lie in any civil court in respect of the matters decided by the said Tribunal. However, this provision shall not act as bar on employee or the Institute, as the case may be, from availing the judicial remedies available under articles 32 and 226 of the Constitution.^{vii}

DISCUSSION

The Board has comprehensive empowerment by having control over finance, academics, personnel, and legislation, making it a self-governing body, essential for a national institution. There is a significant balance between autonomy and oversight. The provisions like Section 12 (2) (e) and (j) require Central Government approval, ensuring that strategic expansions align with national policy interests.^{viii} The modern elements evident from the clauses like corporate-style governance, encouraging performance-based leadership, a progressive departure from traditional academic norms.^{ix} The power to amend Statutes

and Ordinances ensures institutional flexibility, agility and responsiveness to emerging academic and technological needs.^x

While broad powers are granted, most strategic decisions (e.g., opening new centres) are tied to Central Government approval, which may slow down responsiveness. This kind of approval may scale up the risk of over centralisation and micro management of the system. Overlapping domains (e.g., Board vs. Senate powers in academic matters) may lead to institutional friction and potential governance conflicts if roles are not clearly demarcated in Statutes. Though the Board is powerful, student and alumni voices are not directly represented, which could lead to policy disconnect from ground realities. While useful for flexibility, the residual clause may lead to concentration of undefined powers unless further clarified in subordinate legislation (Statutes).

CONCLUSION

The National Institutes of Food Technology, Entrepreneurship and Management Act, 2021 is a progressive legislative initiative that bridges academia, industry, and policy in the food sector. It recognizes food technology as a critical sector for national growth and establishes a model of semi-autonomous academic institutions with national importance. It could boost India's capabilities in food security, processing innovation, and agribusiness entrepreneurship. It not only institutionalizes excellence in education but also aligns with India's vision of self-reliance (Atmanirbhar Bharat) by promoting food entrepreneurship and advanced research.

The powers of the Board of Governors under the NIFTEM Act, 2021 are well-rounded, progressive, and crucial for institutional autonomy and excellence. However, efficient checks and clear operational boundaries between Board, Senate, and Central Government) are essential to prevent bureaucratic delays and conflicts of authority. Future amendments or Statutes should focus on enhancing participatory governance, faster decision-making, and transparent execution of these wide-ranging powers.

ⁱSee, Schedule of the Act

ⁱⁱSection 12 (2) of the Act

ⁱⁱⁱ Section 10 of the Act

^{iv} Section 7 of the Act

^v Section 34 of the Act

^{vi}Section 22 (1) of the Act

^{vii}See, proviso to Section 21 of the Act

^{viii} See, Section 12 (2) (e) and (j)

^{ix}See, Section 12 (2) (k)

^xSection 12 (1) & 12 (2) (n)