

Fiscal Incentives provided by the Government to Food Processing Sector

Income Tax

Items	Provisions
<p>Business of processing, preservation and packaging of fruits or vegetables or meat and meat products or poultry or marine or dairy products or from the integrated business of handling, storage and transportation of food grains.</p>	<p>The amount of deduction shall be of hundred percent of the profits and gains derived from such industrial undertaking for five assessment years beginning with the initial assessment year and thereafter, twenty-five per cent (or thirty percent where the assessee is a company) of the profits and gains derived from the operation of such facility in a manner that the total period of deduction does not exceed ten consecutive assessment years and subject to fulfilment of the condition that it begins to operate such business on or after the 1st day of April, 2001 (Provided that the provisions of this section shall not apply to an undertaking engaged in the business of processing, preservation and packaging of meat or meat products or poultry or marine or dairy products if it begins to operate such business before the 1st day of April, 2009)[section 80-IB, 11(A) of the Income Tax Act, 1961]</p>
<p>Setting up and operating a cold chain facility; and setting up and operating warehousing facility for storage of agricultural produce. (not available for expansion of the unit)</p>	<p>Deduction to the extent of 100% is allowed for expenditure incurred on investment Under Section 35-AD of the Income tax Act 1961. (with effect from 1st April, 2017; currently @ 150%)</p>
<p>Bee – keeping and production of honey and beeswax, Setting up and operating a warehousing facility for storage of sugar</p>	<p>Business allowed 100% deduction under section 35-AD of the Income Tax Act 1961, deduction for expenditure incurred on investment is allowed if this investment is wholly and exclusively for the purpose.</p>