



Agro & Food Processing Sector

Incentives on Investment (Illustrative)

Investment in P&M		INR 70 Crores	
Investment in civil work and land		INR 30 Crores	
Total Fixed Capital Investment		INR 100 Crores	
Direct Employment		100	
Area		10 acres	
Total Incentives by State Government		INR 89.76 crore	
Subsidy as percentage of FCI		~90%	
S.No.	Breakdown of Incentives	Amt. (Rs. Crore)	Description
1	Fixed capital investment subsidy	45.00	33% of FCI, max Rs. 55 crores, disbursed in 6 equal yearly instalments (including employment multiplier of 1.1)
	Interest subsidy	18.75	50% of actual interest paid or 6% interest rate whichever is lower up to Rs. 20 crores p.a. for 5 years (on term loan for P&M)
2	Electricity duty exemption	1.61*	100% exemption for 12 years
3	Land related subsidies	0.23	100% Stamp duty and 50% diversion fee exemption, 50% land registration fee reimbursement
4	Mandi tax exemption	25.00**	100% exemption for 5 years, Max 5 crore p.a., overall limit of 50% of FCI (considered 5 crore per year)
5	EPF reimbursement	0.43	75% subsidy for 5 years, up to 2% of FCI per year
6	Transport subsidy for export	5.63	50% of cost of transport for 5 years up to 50 lakhs per year
7	Training subsidy	0.75	One time subsidy - 1 month wage or Rs. 15,000 per employee, max limit 100% of FCI
8	ETP subsidy	1.00	50% of cost, up to 1 crore
9	R&D Subsidy	1.00	20% on plant & machinery and equipment, max Rs. 3 crores (considered maximum)
10	Other subsidies	0.70	Subsidy for new electricity connection fee, project report, quality certification, technology purchase, technical patent, water and energy audit fee and export certification
	Total	89.76	

Note: Subsidies as per special package for agro/food processing sector under IDP 2024-30. Calculations are based on assumptions; final incentives may vary. Electricity consumption assumed at 2 lakh units per month at 8% duty.

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