



Pharma Sector

Incentives on Investment (Illustrative)

Investment in P&M		INR 75 Crores	
Investment in civil work and land		INR 25 Crores	
Total Fixed Capital Investment		INR 100 Crores	
Area		5 acres	
Direct employment		250	
Total Incentives by State Government		INR 83.72 crores	
Subsidy as percentage of FCI		~84%	
S.No.	Breakdown of Incentives	Amt. (Rs. Crore)	Description
1	Fixed capital investment subsidy	42.00	42% of FCI, max Rs. 72 crores, disbursed in 6 equal yearly instalments (including employment multiplier of 1.2)
2	Interest subsidy	20.00	50% of actual interest paid or 6% interest rate, whichever is lower, up to Rs. 20 crores per year for 5 years.
3	Electricity duty exemption	4.03*	100% exemption for 12 years
4	Land related subsidies	0.46	100% Stamp duty and 50% diversion fee exemption, 50% land registration fee reimbursement
5	EPF reimbursement	1.35	75% subsidy for 5 years, up to 2% of FCI per year
6	Employment generation assistance	4.50	20% of salary for 5 years for employees earning less than Rs. 50,000 per month. (Calculated on average salary of Rs. 15,000)
7	Training subsidy	0.38	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	3.00	20% on plant & machinery and equipment, max Rs. 3 crores (considered maximum)
10	Reimbursement of expense on clinical trials	5.00	50% of expense up to Rs. 1 crore per trial, max 5 trials (considered maximum)
11	Other subsidies	2.00	Subsidy for new electricity connection fee, project report, quality certification, technology purchase, technical patent, water and energy audit fee export certification, transport subsidy for export, zero waste incentive
	Total	83.72	

Note: Subsidies as per special package for pharma sector under IDP 2024-30. Calculations are based on assumptions; final incentives may vary. Electricity consumption assumed at 5 lakh units per month at 8% duty, exemption may be higher for energy intensive industries

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