



Andhra Pradesh 4.0 Operating Guidelines

1. Industrial Development Policy
2. MSME & Entrepreneur Development Policy
3. Food processing Policy

SECTION A – DEFINITIONS & GENERAL PROCEDURES

Andhra Pradesh is one of the most preferred destinations for manufacturing investments within the country. With India's 2nd longest coastline, 6 operational ports and a dense network of highways and railways, the state offers the best logistics infrastructure for investors interested in targeting both domestic as well as export market. Additionally, the state is blessed with abundant mineral resources, agricultural base, water, and surplus electricity making it an attractive investment destination. The following document highlights the process of availing incentives offered by the state to eligible industrial units. Projects involving Expansion/Diversification of existing industries other than those specified in Annexure 1, are also entitled for benefits.

1. DEFINITIONS

1.1. INDUSTRIAL DEVELOPMENT POLICY 4.0, 2024-29 (IDP 4.0)

Industrial Development Policy (IDP) 4.0, 2024-29 means, the policy of state incentives/facilities announced by the state government vide G.O.Ms.No.68, Industries & Commerce (P&I) department, dated 26.10.2024 and amendments thereof, covering all the sectors mentioned in the policy.

1.2. MSME AND ENTREPRENEUR DEVELOPMENT POLICY 4.0, 2024-29 (MEDP 4.0)

MSME and Entrepreneur Development Policy (IDP) 4.0, 2024-29 means, the policy of state incentives/facilities announced by the state government vide G.O.Ms.No.69, Industries & Commerce (Programme – I) department, dated 26.10.2024 and amendments thereof.

1.3. FOOD PROCESSING POLICY 4.0, 2024-29 (FPP 4.0)

Food Processing Policy (IDP) 4.0, 2024-29 means, the policy of state incentives/facilities announced by the state government vide G.O.Ms.No.71, Industries & Commerce (Programme – III) department, dated 26.10.2024 and amendments thereof.

1.4. NODAL/IMPLEMENTING AGENCY FOR POLICY

S.No.	Policy	Abbreviation	G.O.No.	Validity Dates
1	Industrial Development Policy 4.0, 2024-29	IDP 4.0	68	26.10.2024 to 25.10.2029
2	MSME and Entrepreneur Development Policy 4.0, 2024-29	MEDP 4.0	69	26.10.2024 to 25.10.2029
3	Food Processing Policy 4.0, 2024-29	FPP 4.0	71	26.10.2024 to 25.10.2029

- Commissionerate of Industries shall be the nodal agency for implementing IDP 4.0 and MEDP 4.0.
- AP Food Processing Society shall be the nodal agency for implementing FPP 4.0

MICRO INDUSTRIES / ENTERPRISES

Micro enterprise, where the investment in plant and machinery or equipment does not exceed 2.50 crore rupees and turnover does not exceed 10 crore rupees.

SMALL INDUSTRIES / ENTERPRISES

Small Industry/Enterprise means an Industry/enterprise in which investment and turnover are as defined by the Government of India from time to time. Small enterprise, where the investment in plant and machinery or equipment does not exceed 25 crore rupees and turnover does not exceed 100 crore rupees.

MEDIUM INDUSTRIES / ENTERPRISES

Medium Industry/Enterprise means an Industry/enterprise in which investment and turnover are as defined by the Government of India from time to time. Medium enterprise, where the investment in plant and machinery or equipment does not exceed 125 crore rupees and turnover does not exceed 500 crore rupees.

SUB LARGE, AND LARGE INDUSTRIES / ENTERPRISES

Sub Large, Large Industry/Enterprise means an Industry/Enterprise where fixed capital investment (including land, building, plant, machinery & equipment) falls within a band notified in policies notified by GoAP within the policy operative period.

Industry Type	IDP4.0	FPP4.0
Sub-Large	Greater than INR 125 Cr and less than or equal to INR 500 Cr	No classification
Large	Greater than INR 500 Cr and less than or equal to INR 1,000 Cr	No classification

MEGA AND ULTRA MEGA INDUSTRIES / ENTERPRISES

Mega, Ultra Mega Industry/Enterprise means an Industry / Enterprise where fixed capital investment (including land, building, plant, machinery & equipment) falls within a band notified in policies/amendment to policies notified by GoAP within the policy operative period.

Industry Type	IDP 4.0	FPP 4.0
Mega	Greater than INR 1,000Cr and less than or equal to INR 5,000Cr	Greater than INR 125Cr
Ultra Mega	Greater than INR 5,000Cr	No classification

The Government shall extend tailor-made benefits to Mega and above Industry/enterprise to suit particular investment requirements on case-to-case basis based on the gestation period , pioneering nature, locational aspects, technology, project'simportancetotheestate'sindustrialgrowthanditsabilitytogeneratedratelarge scale employment for people, overall economic impact, or revenues for the state.

FARMER PRODUCER ORGANISATION / COMPANY

GoAP adopted the definition of Farmer Producer Organisation / Farmer Producer Company as laid out in Department of Agriculture & Farmers' Welfare, Government of India (as amended from time to time).

1.11. SELF HELP GROUPS

GoAP adopted the definition of Rural and Urban Self Help Groups as laid out in National Rural Livelihoods Mission (NRLM) under Ministry of Rural Development and National Urban Livelihoods Mission (NULM) under Ministry of Housing and Urban Affairs, Government of India (as amended from time to time).

1.12. COOPERATIVE SOCIETY

GoAP adopted the definition of Cooperative Society as laid out in Ministry of Cooperation, Government of India (as amended from time to time).

1.13. PRIMARY PROCESSING ACTIVITY

In FPP 4.0, Primary processing activity means, process that involves basic steps which prepare raw materials for consumption or for further processing. This stage includes activities that maintain the natural characteristics of the product but make it safer, easier to handle, or more stable for transportation and storage. List of activities qualified as Primary Processing are detailed in Annexure –3D

1.14. SECONDARY PROCESSING ACTIVITY

In FPP 4.0, Secondary processing activity means process that involves steps that convert raw or minimally processed ingredients into food products with added value or functionality. This stage often involves more complex techniques and may include cooking, mixing, or combining ingredients to create a final product. List of activities qualified as Secondary Processing are detailed in Annexure – 3D

1.15. TERTIARY PROCESSING ACTIVITY

In FPP 4.0, Tertiary processing means process that involves production of highly processed foods which are ready-to-eat or ready-to-cook or require minimal preparation for final consumption. This level often includes foods with additives or preservatives, and it is characterized by mass production and packaging for retail. List of activities qualified as Tertiary Processing are detailed in Annexure –3D

1.16. AREA OF OPERATION

The IDP 4.0, MEDP 4.0 and FPP 4.0 cover the projects which commence Commercial Production on or after 26.10.2024 but on or before 25.10.2029 duly covering the whole of the State, duly following zoning regulations.

1.17. COMMENCEMENT AND DURATION OF THE POLICY (POLICY OPERATING PERIOD)

The Scheme will be in operation from 26.10.2024 to 25.10.2029 (inclusive of both dates), with such further modifications as may be brought about during the operation of this scheme.

1.18. ELIGIBLE INDUSTRIAL ENTERPRISE

Industrial Enterprise means any industrial undertaking, other than those run departmentally by Government of India / State Government or having equity of State Government / Government of India and other than those listed in Annexure-I.

Enterprises that have received Consent for Operation (CFO) or commences commercial production within the policy operating period shall be eligible for incentives under this policy.

1.19. NEW INDUSTRIAL ENTERPRISE

New Industrial Enterprise means an Industrial Enterprise which has intent and willingness to invest in the State with new machinery and received Consent for operation (CFO) or commences commercial production within the policy operating period.

1.20. EXPANSION / MODERNIZATION PROJECTS

Existing Industrial Enterprises, setting up expansion projects other than those listed in the ineligible list, involving enhancement of Fixed Capital Investment by at least 25%, as well as enhancement of capacity by 25% for the same product lines.

In case of expansion projects additional criteria of enhancement of at least 15% of employment from the base, shall also be met. The base employment shall be last three years average employment on enterprise payrolls. Such employment created shall be in the state of AP.

Such enterprises shall also have received CFO/ DCP within the operating period of the policy, to be eligible for incentives under this policy.

1.21. DIVERSIFICATION PROJECTS

Existing Industrial Enterprises, making investment for a new product other than those listed in the ineligible list, involving Diversification with an enhancement at least of 25% of new fixed capital investment as well as enhancement of turnover by at least 25%, in value terms, (last three years average turnover) and enhancement of employment by at least 15% from base value (last three years average employment on company's payroll). Employment so created shall be in the state of AP.

Such enterprises shall also have received CFO/ DCP within the operating period of the policy, to be eligible for incentives under this policy.

1.22. FIXED CAPITAL INVESTMENT

For the purpose of the policies, **Fixed Capital Investment** means investment on land, building, plant, machinery & equipment unless otherwise specified separately.

1.23. ELIGIBLE FIXED CAPITAL INVESTMENT

For Sub Large and above investments, eligible FCI means, only investment in Plant, Machinery and equipment. Eligible FCI do not include investment made towards land and building costs.

For MSMEs, eligible FCI means, investment in Plant, Machinery and equipment including cost incurred toward Land and Building expenses.

The eligible FCI definition shall be used for computation of incentives under this policy.

1.24. ORIGINAL FIXED CAPITAL INVESTMENT

Investments made on fixed capital assets prior to Expansion/Diversification will be treated as Original Fixed Capital Investment. While computing this Original Fixed Capital Investment, neither depreciation nor revaluation will be considered. Fixed assets include cost of land, civil works, plant, machinery and equipment as per the approved project cost. This project cost will also include cost of machinery installed within 6 months from DCP in case of aided enterprises.

1.25. PRODUCTION CAPACITY OF ORIGINAL ENTERPRISE/INDUSTRY

The highest annual production/turnover achieved during preceding three financial years prior to expansion/diversification, will be treated as Production Capacity of the Original Enterprise/Industry. In case where enterprise/industry is going for expansion/diversification in less than three years from DCP proportionate highest annual production/turnover achieved will be treated as Production Capacity of the Original Enterprise/Industry.

1.26. TAX

Tax means tax paid to Government of Andhra Pradesh Commercial Tax Department by the way of State Goods and Services Tax (SGST)on goods produced by the Industrial Enterprise.

1.27. CONSENT FOR ESTABLISHMENT (CFE)

The date of grant of consent to start civil worksbyenterprise,issued by the competent authority.

1.28. CONSENT FOR OPERATION (CFO)

The date of grant of consent from which the enterprise is permitted to operate the unit as provided by the competent authority.

1.29. DATE OF COMMENCEMENT OF COMMERCIAL PRODUCTION (DCP)

The date of first sale invoice generated by the concernedenterprise in case of MSMEs ordate of commencement of production as in the Industrial Entrepreneur Memorandum (IEM) part B issued by DPIIT, Gol, in case of Sub Large and above category enterprises, shall be considered as Date of Commercial Production. In case of transport vehicles, date of permit for the first vehicle shall be considered as DCP.

While confirming the DCP of the enterprise by the concerned inspecting officer, due diligence is to be exercised by correlating date of first sale bill and first power bills. In case of any dispute on DCP between the Enterprise and the Department, State Level Committee (SLC) will review, and its decision is final.

1.30. STANDARD INVESTMENT PERIOD

Standard Investment Period refers to the actual continuous time taken by the Project from the date of receiving consent for Establishment (CFE), unless otherwise notified through a G.O., till the date of commercial production (DCP).

1.31. APPROVED PROJECT COST

Approved Project Cost means, the cost of the project on different components as approved by the term loan lending institution or in case of joint financing, by the lead term loan lending institution. The Appraised Project Cost by the Scheduled Commercial Banks/Financial Institutions/Industrial Finance Corporation of India recognized by Reserve Bank of India for the purpose of sanction of term loan would be treated as the Approved Project Cost.

In respect of new self-financed projects, the Approved Project Cost needs to be certified by Chartered Accountant, and in case of existing self-finance projects the Approved Project Cost certified by Chartered Accountant, should be validated with the latest audited financial statements of the enterpriseby the inspecting officer.

1.32. REVISED PROJECT COST

The Revised Project Cost for the self-financed Industrial Enterprises is increasing or decreasing by not more than 10%, a self-certification of the revised project cost by the enterprise shall be considered as the revised project cost. If the revised project cost is increasing or decreasing by more than 10% Project Cost will need to be certified by Chartered Accountant, and the cost of the individual elements should be validated by the latest audited financial statements of the firm, in case of existing enterprises.

1.33. VERIFIED EMPLOYMENT

Direct jobs are defined as job roles which are directly involved in the production process or related with activities beginning from the materials entering a facility and until the resultant value-added goods leave the facility. Such employment shall include on-roll, contractual and apprentice workforce of the enterprise/industry operating in the state only.

Inspecting officer will ascertain the final employment created, as an average number of employees working, post DCP, over a 6 month period prior to the claim submission date, as per employee register maintained in line with Labor laws (Form B, Annexure 1) that include employment through contractors as well as employees registered under EPF/ESI.

The employment figure thus arrived and certified by inspecting officer shall be treated as verified employment.

1.34. AIDED ENTERPRISE/INDUSTRY

The Enterprise/Industry availing term loan from Scheduled Commercial Banks/Financial Institutions/Industrial Finance Corporation of India recognized by Reserve Bank of India, A.P. State Financial Corporation (APSFC) and Small Industrial Development Bank of India (SIDBI) for setting up the Enterprise/Industry is treated as Aided Enterprise/ Industry.

1.35. SELF-FINANCED ENTERPRISE / INDUSTRY

1. The Enterprise / Industries set up with own funds / unsecured loans without any involvement from Scheduled / Commercial Banks/ Financial Institutions/ Industrial Finance Corporation of India recognized by Reserve Bank of India / APSFC etc. is treated as Self-Financed Enterprise. However, units established first with own funds /unsecured loans and which have obtained term loan subsequently after commencement of production are treated as Self-Financed units for the purpose of sanction of incentives under the policy.
2. However, Units which have commenced production with own funds and possess in principle sanction before the DCP and availed loans from the scheduled Banks within 6 months from DCP will be treated as Aided Enterprise.
3. Further, wherever, the Enterprises / Industry is established with term loan less than 40% of the project cost will also be considered as self-financed units for the purpose of finalization of investment. The Self-financed Entrepreneurs are eligible for availing incentives as applicable.

1.36. BC ENTERPRISE

The enterprises with 100% ownership by backward class community entrepreneurs as sole Proprietor or invariably having 100% share in

Partnership/Private Limited Companies. BC entrepreneur refers to a person hailing from Andhra Pradesh and belonging to BC Category as notified by the Government of Andhra Pradesh from time to time.

1.37. MINORITY ENTERPRISE

An enterprise with 100% ownership by minorities, as defined in the Andhra Pradesh State Minorities Commission Act, 1998 and its subsequent amendments is an eligible minority enterprise.

Minority entrepreneurs refer to people from minority communities hailing from Andhra Pradesh and as notified by the Government of India and Government of Andhra Pradesh from time to time.

1.38. SC/ST ENTERPRISE

An enterprise with 100% ownership or invariably having 100% share in Partnership/Private Limited Companies by SC/ST entrepreneurs is an eligible enterprise under SC/ST category.

SC/ST entrepreneur refers to a person belonging to SC/ST Category as notified by the Government of Andhra Pradesh from time to time. All non-statutory concessions granted to S.C. (Hindus) by the State Government including economic support schemes sanctioned by A.P. Scheduled Castes Cooperative Finance Corporation have been extended to Scheduled Caste converts to Christianity and Buddhism as per orders issued in the G.O.Ms.No.341, Social Welfare (PR) Dept. dated 30.8.1977.

1.39. WOMEN ENTERPRISE

An enterprise with 100% ownership or invariably having 100% share in Partnership/Private Limited Companies by women entrepreneurs is an eligible women enterprise. Women entrepreneurs refer to female entrepreneurs hailing from Andhra Pradesh and as notified by the Government of Andhra Pradesh from time to time.

1.40. SPECIALLY ABLED ENTERPRISE

An enterprise with 100% ownership or invariably having 100% share in Partnership/Private Limited Companies by entrepreneurs who are specially abled is an eligible Specially abled enterprise.

Specially abled entrepreneur shall mean any person that is suffering from atleast 40 percent of disability and is certified by a medical authority for the same, as per Persons with Disabilities (Equal Opportunities Protection of Rights and Full Participation) Act, by GoI as amended from time to time.

Such entrepreneurs should hail from Andhra Pradesh and as notified by the Government of Andhra Pradesh from time to time.

1.41. TRANSGENDER ENTERPRISE

An enterprise with 100% ownership or invariably having 100% share in Partnership/Private Limited Companies by transgender entrepreneurs is an eligible Transgender enterprise.

"Transgender person" means - definition as in Transgender Persons (Protection of Rights) Act, 2019 or amended from time to time - a person whose gender does not match with the gender assigned to that person at birth and includes trans-man or trans-woman (whether or not such person has undergone Sex Reassignment Surgery or hormone therapy or laser therapy or such other therapy), person with intersex variations, gender queer and person having such socio-cultural identities as kinner, hijra, aravani and jogta.

1.42. GENERAL INDUSTRIES/ENTERPRISES

The Industries/Enterprises which have not been covered under any sectoral policy or special category(BC/SC/ST/minority/specially abled/transgender).

1.43. SEASONAL INDUSTRY

The unit which commissioned from time to time principally during certain season or limited periods in a year and the main plant is regularly closed down during certain months in a year. Like manufacture of sugar, ice, salt, decorticating, seed processing, fruit processing, ginning and pressing, cotton seed oil mills or any activity approved by SLC.

1.44. MONTH

Calendar Months

1.45. FINANCIAL YEAR

1stApril to 31st March

1.46. FIRST HALF YEAR

1st April to 30th September

1.47. SECOND HALF YEAR

1stOctober to 31st March of next year

2. DEEMED APPROVAL FOR GREEN& WHITE CATEGORY MSMEs

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- 2.1 End-to-end Deemed approval for MSMEs: An MSME unit can start operations in notified industrial parks after getting an online acknowledgement by submitting 'declaration of intent' with a condition to formalize all the approvals within three years.
 - 2.2 This will not be applicable to enterprises under orange and red category MSMEs.
 - 2.3 This facility will be operationalized through Single Desk Portal.

3. COMPUTATION OF FIXED CAPITAL INVESTMENT

Fixed capital investment definition shall include investment in Land, Building, Plant, Machinery and equipment, each of which are as defined below.

3.1. LAND

- 3.1.1. Cost of land required for the successful working of the new industrial enterprise would normally be computed by considering value of five times the plinth area of the factory building constructed and not exceeding the approved project cost. However, in respect of Enterprises/Industries where the open land requirements would be large due to the specific nature industry, DIEPC/SLC may consider allowing land in excess of 5 times of plinth area on case-to-case basis. However, cost of site levelling, clearance, laying of roads, etc. will not be considered for capital cost.
- 3.1.2. Lease/Sale deed should be registered in the name of Enterprise / Industry / proprietors as the case may be, for sanction of any incentives / concessions. In case of other than proprietary firms' lease / sale deeds should invariably in the name of the unit/ enterprise. Lands inherited would not be considered for capital cost computation.
- 3.1.3. Stamp duty and Transfer duty component will not be considered while computing the Fixed Capital Investment.
- 3.1.4. In case of a discount on land cost on lands purchased in APIIC developed IEs/IDA/IPs, the discounted land cost will not be considered while computing the eligible Fixed Capital Investment.
- 3.1.5. In case of APIIC lands, incentive claims will receive conditional sanction, based on Lease/ sale agreement and subject to the mandatory submission of Lease/sale deed claims will be considered for release of sanctioned incentives.

3.2. FACTORY BUILDING

- 3.2.1. The value of factory building constructions will be limited to the approved project cost. Values of leased building will not be considered. Cost of buildings will be computed as per the APSFC approved rates of construction / year of construction or the actual cost, whichever is lower. The items of civil works which are permitted for computation towards eligible cost are:
 - a. Main Factory Shed.
 - b. Raw Material and finished products warehouse.
 - c. Office room and Lab room.
 - d. Cooling water ponds.
 - e. Boiler shed and generator room.
 - f. Effluent treatment ponds, etc.
 - g. Overhead Tank and pump house and sump.
 - h. Bore-wells
 - i. Fencing and Gate.
 - j. Architect fee and supervision charges.
 - k. Compound wall.
 - l. Canteen.
 - m. Workers' rest room.
 - n. Time Office.
 - o. Cycle / Vehicle Stand.
 - p. Security Shed and
 - q. Toilet room and sanitary fittings.
- 3.2.2. The total value of items at (h) to (q) and similar items shall not exceed 10% of the total value of civil works. Total value of the civil works means items (a) to (g) only (within the approved project cost). The plinth area of the civil works based on the construction made by the Industrial Enterprise from items (a) to (g) only.

3.3. PLANT AND MACHINERY

- 3.3.1. Value of plant, machinery and equipment installed and the value of tools (other than consumables) Jigs, Dies, Moulds, pollution equipment, lab equipment etc. necessary for production of approved line of activities will be taken into account, as per the notification under MSMED Act, 2006 of GoI from time to time. Leased plant and equipment are not eligible for incentives.
- 3.3.2. Enterprise/Industry setup with total secondhand machinery would not be eligible for any incentives/concessions. However, in case of Enterprise/Industry setup with imported machinery, value of 100% imported secondhand plant, machinery and equipment will be considered as new indigenous machinery, if it is imported directly by the Industrial Enterprise. In case of indigenous secondhand machinery purchased by the Industrial Enterprise, such value should not exceed 25% of the total value of new plant and machinery. The value of indigenous secondhand machinery will not be computed towards eligible Fixed Capital Investment for incentives.
- 3.3.3. To decide the percentage of secondhand machinery, market value as certified by C.A. will be considered, subject to such machinery having a minimum of further six (6) years life for MSEs and twelve (12) years for Medium Enterprise and above Industries certified by a Licensed Engineer. New Enterprise/industry setting up with a mix up of new / secondhand machinery shall be subjected to these norms.
- 3.3.4. Expenditure on Technical Consultancy / Feasibility study including turn-key charges will be considered towards the Fixed Capital Investment, provided they are part of the approved project cost, capitalized and certified by a C.A., but limited to 10% of the total cost of plant machinery and equipment installed.
- 3.3.5. The value of plant, machinery and equipment procured by new Industrial Enterprise from APSFC / A.P. State Industrial Development Corporation / Nationalized Banks pertaining to disposed off Enterprise/Industry will be considered, provided such machinery has not enjoyed any incentives under any of the earlier incentive schemes.
- 3.3.6. Only depreciated value of such plant, machinery and equipment, as certified by C.A. subject to such machinery having a minimum of further six (6) years life for MSEs and twelve (12) years for Medium Enterprise and above Industries certified by a Licensed Engineer, will be taken into account for computing towards eligible Fixed Capital Investment.
- 3.3.7. In respect of new Industries Enterprises setup in the premises belonging to disposed off Enterprises from any Financial Institution / disposed off enterprises/industries, if the earlier Enterprises availed incentives, only new assets created with fresh investment would be eligible for incentives.
- 3.3.8. Value of self-fabricated machinery by the new industrial Enterprise/Industry will have to be certified by a Chartered Engineer or Engineer of the term lending institution concerned for the purpose of computing the eligible Fixed Capital Investment.
- 3.3.9. Diesel Generator and transformer cost are not allowed for computing towards Fixed Capital Investment.

3.4. ITEMS NOT COMPUTABLE TOWARDS FIXED CAPITAL INVESTMENT:

- a. Working capital, raw material, stores and all consumables including spare tools, etc.
- b. Value of the Motor Vehicles(except for Food Processing industries and for special category enterprises)
- c. Pre-operative expenses, advances, expenditure not supported by payment of bills wherever necessary.

- d. Investment made outside the approved project cost and items not covered by approved project.
- e. Fixed assets which form part of project cost but not created within 6 months from the DCP or the date of filing the claim whichever is earlier if it is an aided enterprises/industry.
- f. Term loan sanctioned by the Financial Institution after the DCP.
- g. In case of self-financed Enterprise/Industry, the fixed assets created after the DCP and payment made (unless they are “credit invoice” payments) after DCP, or any such value.

4. INELIGIBILITY

- 4.1. Enterprises with line of activity as listed in Annexure-1 are not eligible for any incentives/concessions.
 - a) Manufacturing sector projects as listed at Annexure 1 and Service Sector projects as listed at Annexures 2 and 3A shall be considered as eligible line of activity for SC/ST/specially abled/transgender entrepreneurs for claiming incentives/concessions.
 - b) For General/BC/minority entrepreneurs having line of activity as listed at Annexure 1 shall be treated as ineligible, But Service Sector activities as listed at Annexure 2 shall be considered as eligible line of activity, for claiming of incentive/concession.
- 4.2. New Industrial Enterprise established with plant and machinery on lease is not eligible for incentives/concessions.
- 4.3. New Industrial Enterprise established with secondhand machinery is not eligible for incentives/concessions except where the cost of such machinery does not exceed 25% of the total cost of plant and machinery.
- 4.4. Composite industrial enterprises set up for manufacture of an eligible item along with an ineligible item are not eligible for incentives/concessions except when the proportion of ineligible items in the total production is less than 10% in value of the total turnover.

5. GENERAL GUIDELINES

- a) Enterprises with line of activity listed in Annexure 2 or Annexure 3A are eligible for claiming investment subsidy only and also includes Power subsidy,in case of special category MSMEs.
- b) Unless otherwise explicitly specified, the claim applications filed after six months but before one year from the specified date as defined for sanction of incentives will be treated as belated claims and are eligible for 50% of all the incentives. All claims filed beyond one year are not eligible for any incentives, unless explicitly exempted. In case any claim application is received beyond one year after commencement of production, it will be considered on case-to-case basis as per specific Government instructions.
- c) For MSMEs, In case of an upward change in terms of investment in Plant and Machinery or equipment or turnover or both and consequent reclassification, an enterprise shall continue to avail all non-tax benefits of the category (Micro/Small/Medium) it was in before the reclassification, for a period 3 years from the date of such upward change, or any in-line with any revisions published by Ministry of MSME, Government of India from time to time.

- d) All eligible MSEs having leased premises, should furnish a registered lease deed for a minimum six (6) years production period from the DCP, and others should furnish a registered lease deed for a minimum Eight (8) years production period from the DCP. In this or any sectoral policies, if the incentive duration is equal or higher than the minimum lease deed registration period requirement, the duration of lease deed period requirement shall be 1 year higher than the incentive disbursement duration period specified in the sectoral policy.
- e) In case of Enterprises set up by Women/BC/SC/ST/specially abled entrepreneurs, transfer of ownership is not permitted. However, transfer from one Women/BC/SC/ST/specially abled entrepreneur to another Women/BC/SC/ST/specially abled entrepreneur is allowed with the prior approval of Commissioner of Industries subject to condition that ultimately 100% shareholding of the Women/BC/SC/ST/specially abled entrepreneur is protected / maintained.
- f) If any enterprise taking up expansion/diversification had availed Investment Subsidy at any time, the subsidy amount already availed would be deducted from the eligible Investment Subsidy, and the total subsidy would be limited to maximum cap. as per the limits prescribed in the respective policies.
- g) In case of land and building purchased from existing Industry/Enterprise which has availed incentives, the land and building cost will not be considered as part of Fixed Capital Investment. In case if the original unit has not availed incentives on land and building, the cost of the land and the depreciated value of building will be considered as part of Fixed Capital Investment. A certificate on the depreciated value of building and quality & life of the building by chartered Civil Engineer (Annexure 11) are to be submitted along with the application.
- h) Industrial Enterprise setting up a new industrial Enterprise with separate identifiable investment within the same land of the unit with compound wall separating the two units having separate entry/out gate are also eligible for incentives. The words 'SEPARATE IDENTIFIABLE INVESTMENT' means that the two units (existing and new) should not have any production linkage with the existing manufacturing process, such as using common rail loading system for unloading raw materials and transporting finished products. The new unit should be in a separate building/shed, should maintain separate books of accounts and the project should be appraised independently by financial institution as a viable project in case of aided units. In case of self-financed units, Approved Project Cost will need to be certified by Chartered Accountant / Chartered Engineer empaneled by the Government of Andhra Pradesh, and the cost of the individual elements should be validated by the latest audited financial statements of the firm.
- i) A new project will not, however, be regarded as a "Separate Identifiable Investment" if the utilities of the existing Enterprise/Industry like water, electricity without separate main meter (no sub-meter), steam, and pollution control systems, packaging etc. are extended to the new Enterprise/Industry. Machinery bills and sale bills shall be maintained in the name of unit I and unit II etc. and the same should be reflected in the annual financial statements separately.
- j) In case of any doubt/ambiguity in deciding the "Separate Identifiable Investment" the decision of SLC is final.
- k) If any existing Industrial Enterprise setting up a new Industrial Enterprise with Separate Identifiable Investment for the same end product/new product at different location in the same name it will be treated as new Enterprise/Industry (Separate Identifiable Investment) for the purpose of sanction of various incentives, even though there is no separate GST registration number and separate marketability, since the Commercial Tax Department is issuing only one GST Registration number for one dealer even they

have more than one Enterprises/Industries within the State. However, they must maintain separate books of accounts for each location.

- i) Expansion/Diversification Enterprise /Industry should also obtain all the statutory/ required approvals.
- m) All the entrepreneurs should have Permanent Account Number (PAN) and should regularly file the Income Tax Returns in the name of the legal entity i.e proprietor in the case of sole proprietorship, firm in case of partnership and in the name of the company in case of Private Limited companies etc.
- n) The detail shall be submitted by the Entrepreneur:
 - i. Aadhaar number shall be required for Udyam Registration.
 - ii. The Aadhaar number shall be of the proprietor in the case of a proprietorship firm, of the managing partner in the case of a partnership firm and of a karta in the case of a Hindu Undivided Family (HUF).
 - iii. In case of a Company or a Limited Liability Partnership or a Cooperative Society or a Society or a Trust, the organisation or its authorised signatory shall provide its GSTIN and PAN along with its Aadhaar number.
 - iv. The units must possess Professional Tax Registration, unless otherwise exempted, as per the existing rules/regulations
 - v. For Transport sector units, installation of GPS on the vehicle is mandatory.
 - vi. Following is required details required to be provided based on the type of enterprise Company:

Details	Sole Proprietorship (In the Name of)	Partnership Firm (In the Name of)	Pvt. Ltd / Public Ltd. / Society / LLP / etc (In the Name of)
GSTIN	Name of the Enterprise	Name of the Enterprise (Partnership firm)	Name of the Legal Entity
Aadhaar	Name of the Entrepreneur (Proprietor)	Name of the Managing Partner of the Partnership firm	Name of the Managing Director
PAN	Name of the Entrepreneur (Proprietor)	Name of the Firm	Name of the Legal Entity

5.1. CHANGE OF CONSTITUTION/MANAGEMENT/ NAME OR STYLE OF INDUSTRIAL ENTERPRISE/ INDUSTRY

5.1.1. Where an enterprise after having availed any incentive/concession as per the policy, intends to change its constitution, management, name or style within the first six (6) years for Micro and Small enterprises and eight (8) years for Medium and above enterprises from the DCP, such entity shall seek the approval of DIEPCor SLC, as the case may be, by producing following documents -

- a) Obtain the No Objection Certificate (NOC) from the financing institutions concerned in respect of aided Enterprise/industry
- b) Submit and affidavit about the Management change and details of the new promoters and directors
- c) Produce Certificate of incorporation from Registrar of Companies (ROC)/ Registrar of Firms/other competent authority along with Memorandum of

- Association & Articles of Association in the case of a company and similar documents as applicable in case of other concerns, immediately on change of constitution, change of name or style etc
- d) Submit any other relevant document/details as the DIEPC/SLC may deem necessary.

5.2. RESTRICTION OF TRANSFER/SALE OF ASSETS

- 5.2.1. Wherever an enterprise has availed incentives/concessions under the policy such an entity shall not be allowed to transfer/sell its assets which have been considered while sanctioning the incentive/concession within the first six (6) years for MSEs and eight (8) for Medium and above enterprises from the DCP.
- 5.2.2. In case due to reasons beyond the control of the enterprise/promoters it becomes inevitable to windup operations of the unit or exit the business, exemption in the above stipulation may be agreed to by the SLC subject to appropriate conditions including remittances of full or part of the value of the incentives availed.
- 5.2.3. The number of years operated after DCP shall be the criteria in this regard.

5.3. LEASE OF ENTERPRISE/INDUSTRY

- 5.3.1. Notwithstanding ineligibility condition under para 4, Industrial Enterprise that has availed incentives/concessions and whose management is not able to run the Enterprise/Industry and intends to lease out to other management within the first six (6) years for MSEs and eight (8) for Medium and above enterprises from the DCP, such enterprises shall obtain the (NOC) from the financing institutions concerned in respect of aided Enterprise/Industry before seeking the approval of DIEPCor SLC, as the case may be.
- 5.3.2. All enterprises which have availed incentive/concession under the Policy shall be required to seek prior approval of DIEPC (for micro and small enterprises) or SLC (for Medium and above enterprises) for leasing out their facilities.

5.4. CHANGE OF LOCATION OF INDUSTRIAL ENTERPRISES SANCTIONED INCENTIVES/ CONCESSIONS

- 5.4.1. Any aided enterprise/industry proposing to shift their location within the district during the continuous production period shall obtain NOC from the financing institution concerned before seeking approval of DIEPC/SLC.
- 5.4.2. Self-financed enterprises shall be required to seek approval from DIEPC/SLC.
- 5.4.3. In case of micro and small enterprises, the respective DIPEC shall have the authority to grant the approvals for shift of location to any part of the state.
- 5.4.4. In case of Medium and above enterprises, SLC shall have the authority to grant the approvals for shift of location to any part of the state.
- 5.4.5. It shall be an irrevocable obligation on the part of the enterprise to provide documentary evidence/proof regarding the shifting of location of production/operation once such shifting has been effected.
- 5.4.6. No enterprise that has availed incentive/concession under this policy shall be allowed to shift its production/operation outside the state during the continuous production period. Any violations to this clause, incentives released shall be recovered from the enterprise under Revenue Recovery Act (or any act applicable)

5.5. MERGER/AMALGAMATION OF INDUSTRIAL ENTERPRISE

- 5.5.1. Approval of the SLC is necessary for merger/amalgamation of one or more enterprises/industries in case at least one among such enterprise/industries has availed incentive/concession under this policy.
- 5.5.2. In all such cases, application shall be submitted by the enterprise/industry to the Commissioner of Industries for general industries or CEO, APFPS for food processing related industries, as the case may be, through GM, DIC concerned along with the necessary orders of appropriate forum under Companies Act, NOC from the Financing Institution, amended LI/IL/IEM and Incorporation Certificate from the Registrar of Companies (RoC).
- 5.5.3. The Partnership Firm shall submit NOC from their Financing Institution and Firm Registration certificate generate by competent authority. The Proprietary concerns shall submit NOC from the Financing Institution.
- 5.5.4. The enterprise/industry concerned shall be liable to submit any other documents than those mentioned above, as the SLC may deem necessary for its consideration before providing approval for the merger/amalgamation.

5.6. CHANGE OF LINE OF ACTIVITY/INCLUSION OF ADDITIONAL LINE OF ACTIVITIES

- 5.6.1. If an Enterprise/Industry starts manufacturing new eligible items without any additional machinery or equipment, with the same plant & machinery, then such items shall be permitted to apply for any incentive within the period specified in the policy, from the DCP of the original product.
- 5.6.2. They should obtain prior approval from DIEPC in respect of Micro and small enterprises and SLC in respect of Medium and above enterprises before taking up production of such new items respectively to be able to apply for any incentives as applicable under the policy.

5.7. CONTINUOUS PRODUCTION

- 5.7.1. Continuous Production means continuous working of an Industrial Enterprise engaged in the activity of manufacture of approved lines for a minimum period of six (6) years for Micro and Small Enterprises (MSEs) and eight (8) years for Medium and above Enterprises without any break in production.
- 5.7.2. The Industrial Enterprises obtaining incentives should be in continuous production for a period of six (6) years in respect of MSEs and eight (8) years in respect of Medium and above Enterprises from the DCP failing which all incentives/concessions sanctioned are liable to be cancelled and the incentives/concessions already availed are liable for recovery.

5.8. BREAK IN PRODUCTION

- 5.8.1. If any Industrial Enterprise is not in operation/working for more than 90 days continuously, then the Industrial Enterprise shall be treated as break in production and not in continuous working.
- 5.8.2. Break-in-production up to a period of three (3) years due to the reasons beyond its control such as shortage of raw-materials, power and change of management, fire accidents and natural calamities etc. may be condoned by DIEPC in case of micro and small enterprises and SLC in case of medium and above enterprises on merits.
- 5.8.3. Any break-in-production will result in extending the continuous production period requirement, which is six (6) years for MSEs and eight (8) years for Medium and above enterprises, by the period of such break. This condition is not applicable for seasonal Industrial Enterprises as defined by the Department.

5.8.4. GM, DIC concerned should monitor the progress of these Enterprises and submit report to the Commissioner of Industries for general industries, CEO, APFPS for food processing related industries, as the case may be, on a half yearly basis.

6. PROCEDURE FOR CLAIMING VARIOUS INCENTIVES

- 6.1. The entrepreneurs who wish to receive industrial approvals have to file for the same on the “Apply for approvals” section on the website “www.apindustries.gov.in”.
- 6.2. The entrepreneurs who wish to avail incentives have to file separate claims for each of the incentives they are eligible for through online incentive portal at “Apply for Industrial Incentives” on the website “www.apindustries.gov.in” invariably within the stipulated time frame as prescribed in this document.
- 6.3. All claims requested shall be within one policy period only. One claim cannot be requested under more than one policy periods.
- 6.4. All the enterprises (Manufacturing, service, and transport sector) should have professional tax registration and should pay the professional tax as per G.O.Rt.No.664 Revenue (Commercial Taxes-II) department Dt. 24.08.2020.
- 6.5. Any Enterprise/Industry going for expansion/diversification, should submit the claim application separately subject to conditions stipulated at Para No.1.20 and 1.21, otherwise the Enterprise/Industry will be treated as original Enterprise/Industry and the incentives/concessions will be considered from the DCP of the originalEnterprise/Industry.
- 6.6. All enterprises must fill Common Application Form (Annexure – 5) and file other corresponding forms and certificates as applicable, in the incentives portal.
- 6.7. In case of MSMEs investment declared under Common Application Form, to the extent of investment made for the current unit, shall be considered for deciding the applicability of incentive quantum under Micro, Small or Medium Category.
- 6.8. To extent possible, incentives portal shall be integrated with APIs of concerned line departments (including but not limited to GSTIN, Energy, Excise, Commercial Tax, Labor), to leveragefeatures of Artificial Intelligence for self-computation of incentive/concessions, digital validation of documents submitted, fraud detectionand online certification required for incentive claim submission.
- 6.9. The Unit holder must obtain all the necessary statutory approvals/permissions/licenses for operating the unit. In case of deemed approvals, the online system shall not permit the user who didn't obtain necessary approvals/permissions/licences/ to apply for incentives beyond the exempted period.
- 6.10. All BC/SC/ST/Women/specially abled Entrepreneurs will have to clearly specify the category they are applying for industrial approvals and claiming incentives clearly on the Single desk portal (SDP) and online incentive portal respectively, along with the necessary documentation as requested.
- 6.11. The overall incentive a company can claim, through combination of incentive packages offered to Sub large and above investments through IDP 4.0 policy or any subsequent sectoral policies, shall not exceed 100% of FCI, and incentive packages offered to MSMEs through MEDP 4.0 policy or any subsequent sectoral policies shall not exceed 75% of FCI.

7. PROCEDURE FOR SANCTION OF INCENTIVES

- 7.1. Scrutiny/Verification Committees (SVC) at the State Level and District Level are constituted for scrutinizing and recommending the claims for the incentives to the SLC/DIEPC respectively.
- 7.2. Committees at the State Level (SLC) and District Level (DIEPC) are constituted for sanction/rejection of claims for the incentives.
- 7.3. **Profession Tax:** Payment of Profession Tax is mandatory for obtaining industrial approvals/ licenses, renewals and for availing incentives as per the Andhra Pradesh Tax on Professions, Trades, Callings and Employment Act 1987. All entrepreneurs shall submit undertaking that they are paying the profession Tax to the Government. All inspecting officers should ensure and certify the payment of profession tax by the enterprises before placing any claims in the SVC and approved in DIEPC/SLC as the case may be.
- 7.4. On receipt of the first application of claiming incentives from the industrial Enterprises (aided/self-financed), concerned for sanction of incentives under the policies, the designated DIC official should inspect the Enterprise/Industry and verify all the records/documents as per document check list provided at Annexure 16 and provide recommendation in the inspection report format provided at Annexure 17.
 - a) Micro Enterprises should be inspected by Industrial Promotion Officer (IPO) concerned and submit the inspection report online to DIO/General Manager, with due knowledge of Area officer (AD/DD of the area) concerned.
 - b) Small Enterprises should be inspected by Assistant Director/Deputy Director of concerned area along with concerned area IPO and submit the report to DIO/General Manager.
 - c) Medium & above Enterprises should be inspected by the General Manager, along with concerned area officer and concerned area IPO and submit the report to Commissioner of Industries.
- 7.5. In either cases, aided or self-financed, the inspecting officers should verify all the machinery as per machinery list with bills, payment proofs, validated with data from GST authorities and certify on the list of machinery as follows:

“Verified Plant & Machinery. Found tallying with the list. Duly erected and put to use and is required for manufacturing the approved lines of activities. There are no second-hand machinery items in the list”.
- 7.6. If any second-hand machinery exists in the list, it can be certified accordingly.
- 7.7. If it is an aided Enterprise/Industry, the financial institution & concerned Inspecting Officer should certify that

“This is to certify that from the above list of plant & machinery Sl. No. X to Y are new and Sl.No. A to B are secondhand machinery.”
- 7.8. Wherever there is a difference of opinion on the genuineness of plant and machinery between financial institution (in case of aided enterprise/industry) or Chartered Accountant or Chartered Engineer (in case of self-financed enterprise/industry) and the departmental officer, the unit may be ordered by District Collector for inspection by DSVC after placing the issue before the DIEPC or by Commissioner Industries for inspection by SSVC after placing the issue before SLC.

- 7.9. In case of self-financed enterprises/industry, where validation of bills/machinery of units need special investigation, District collector in case of Micro and Small enterprise claims and Commissioner of Industries in case of Medium and above enterprise claims can constitute an ad-hoc joint inspection committee with competent authorities for fast disposal of claims.
- 7.10. The inspecting officers are solely and severally responsible for the inspection and they should upload the inspection reports within 48 hours.
- 7.11. Inspection report will be made available to the entrepreneur through his/her login.
- 7.12. If the entrepreneur doesn't agree with the inspection report, he/she can appeal within 3 months of publication and uploading the inspection report.
- 7.13. The DIEPC Committee shall consider the recommendations from district SVC in case of micro and small enterprises, SLC committee shall consider the recommendations from State SVC in case of Medium and above enterprises and shall take appropriate decision including sanction or rejection of the claims.
- 7.14. For Micro and Small Enterprises appellate authority is District Collector, and for Medium and above enterprises, the appeals are submitted to Commissioner, Industries in cases of general industries and to CEO, APFPS, in cases of food processing related industries.

Service Level Agreement (SLA) for sanction of Incentives:

- 7.15. GM DIC's office will receive and process claim applications strictly as per seriatim and ensure placing the same before the district SVC and DIEPC in respect of Micro and Small cases within 100 working days.
- 7.16. In respect to Medium and above enterprises, GM/DIO shall forward the claim applications to Commissioner of Industries office, and the authorities at Commissioner of Industries office, shall process claim application strictly as per seriatim and place the same before state SVC and SLC within 100 working days.
- 7.17. In case of Food Processing sector related enterprises, GM DIC's office will receive and forward the claim applications strictly as per seriatim to CEO, APFPS office, for claim processing and to place the same before district SVC and DIEPC in respect of Micro and Small enterprises and to place before state SVC and SLC in respect of Medium and above enterprises within 100 working days.
- 7.18. File processing hierarchy for all Micro and Small enterprises at District level:

Movement of file	Max. no. of days
IPO/ AD/DD to GM	25
GM to SVC completion	30
SVC to DIEPC	30
DIEPC to Issue of sanction proceedings	15
Total	100

In case of applications related to FPP 4.0

Movement of file	Max. no. of days
IPO to GM	25
GM to CEO, APFPS	10
CEO APFPS to SVC completion	30
SVC to DIEPC	25
DIEPC to CEO, APFPS to Issuesanctionproceedings	10
Total	100

7.19. File processing hierarchy for medium and above enterprises at State level:

Movement of file	Max. no. of days
GM to State AD/DD	20
State AD/ DD to JD / Addl. Dir.	20
JD to SVC completion	20
SVC to SLC	25
SLC to Issue to sanction proceedings	15
Total	100

In case of applications related to FPP 4.0

Movement of file	Max. no. of days
GMtoCEO, APFPS	20
CEO APFPStoSVCcompletion	40
SVCtoSLC	25
SLCtoIssue to sanction proceedings	15
Total	100

8. PROCEDURE FOR INSPECTION OF ENTERPRISES

- 8.1. The concerned inspecting officers shall inspect the enterprises once in 6 months after first inspection / from the date of previous inspection in case of Micro and Small Enterprises and once in a year in case of Medium and above Enterprises.
- 8.2. The performance reports shall be obtained from the unit during the inspection in the prescribed format and the same shall be uploaded in the portal.
- 8.3. The claims received further shall be processed based on the earlier inspection / performance report filed earlier without inspecting the unit physically.
- 8.4. These performance reports shall also be utilized for analyzing the efficiency / performance of the unit and for facilitating other benefits if any.

9. PROCEDURE FOR DISBURSEMENT OF FUNDS

- 9.1. All sanctioned claims shall be kept ready in the chronological orders (as per the date of application) for disbursement. No documents shall be uploaded by the entrepreneur for disbursement, except in cases involving courts, wherein court orders shall be honored.
- 9.2. The Self declaration submitted at the time of submission of Common Application Form (Annexure 5) is sufficient for disbursement of the sanctioned incentives.
- 9.3. The entrepreneur shall submit the account details and NOC from Term Loan Financial Institution, if the Term loan is closed or outstanding of the Term loan is less than the Incentive amount to be disbursed.
- 9.4. The investment subsidy component should be credited to term loan account only and other incentive components may be credited to term loan account/CA/CC account as per the option given by the entrepreneur.
- 9.5. Option shall be given to edit their Account details with necessary documents, First page of the bank statement/Crossed cheque leaf/NOC from the banker. In such cases, the GM, DIC of the concerned district shall verify the account number, IFS

- code and other details thoroughly and authorize the details received from the entrepreneurs through online and forward the same to the Joint Director of Industries (Incentives) of the Head office for updating the same.
- 9.6. The disbursements are made in a bunch of cases through consolidated release proceedings generated through online system for SLC sanctions by the Commissioner of Industries and DIEPC sanctions by the District Collector respectively observing the chronological order of such meetings held and the same shall be approved by the Commissioner of Industries. The disbursement shall be made on the Integrated CFMS system based on the Proceedings generated.
- 9.7. In case of industrial Enterprises which have availed any bridge loans against the anticipated subsidy, the subsidy amount shall be released first to the Financial Institution which has sanctioned and released bridge loan, to discharge the liability in full against such sanction and balance amount, if any, would be released in the manner prescribed.
- 9.8. Wherever the GM, DIC finds any Industrial Enterprise sick, closed, change of management taken place, change of financial institution, shifting part of the machinery etc. or for any other reason not worthy of receiving subsidy till further examination, the Commissioner of Industries / GM, DIC shall not disburse the subsidy to such Enterprise/Industry and a written intimation to be given to the Industry/Enterprise by the GM, DIC. In case of above two situations, the subsidy shall be disbursed only after further clearance given by the SLC.
- 9.9. However, if the unit was in continuous production for a period as prescribed i.e. 6 years for MSEs and 8 years for others from DCP and the amount is pending to be released even after such period, that amount should be released without insisting working status.

10. RECOVERY OF INCENTIVES SANCTIONED UNDER THE SCHEMES

Incentives/concessions granted to an industrial enterprise shall be liable to be recovered under the following circumstances:

- 10.1. If the incentives/concessions are obtained by the industrial enterprise by misrepresentation of essential facts or by furnishing of false information or suppressions of facts or by submission of false/fake documents etc. In addition to recovery of the incentives granted, penalty will be levied as deemed fit and disbursed amount and barred from availing incentives in future.
- 10.2. If the industrial enterprise goes out of production within six (6) years for MSEs and eight (8) years for Medium &above Enterprises from the DCP. However, in case where the Enterprise/Industry remains out of production for period up to 36 months due to the reasons beyond its control such as shortage of raw-materials, power and change of management, bills receivables, recession in the market, Fire Accidents and natural calamities etc., and the same is regularized by the DIEPC/SLC are exempted from recovery/ penalty.
- 10.3. If the industrial enterprise fails to furnish the prescribed statements and/ or information when it is called upon to furnish.
- 10.4. If the industrial enterprise effects change of management without prior approval from the financing institution concerned and the State Level Committee.

- 10.5. If the industrial enterprise shifts a part or whole of the industrial Enterprise/Industry or lease out the whole or part of premises or the plant and machinery after receiving a part or whole of the incentives without prior approval of the DIEPC/SLC.
- 10.6. If the whole or part of the industrial enterprise is sold without the prior approval of the SLC.
- 10.7. If the industrial enterprise enters into a contract of any nature whatsoever by transferring the Management, without the prior approval of the SLC.
- 10.8. In the event of recoveries for reasons arising mentioned above, they shall be recovered treating them as arrears of Land Revenue under A.P. Revenue Recovery Act, 1864 and the GM, DICs will be designated as recovery officers by suitable Government Orders.
- 10.9. In this regard, the GM, DIC concerned should monitor the progress of the Enterprises and submit report to the Commissioner of Industries, CEO, APFPS as the case may be, on half-yearly basis.

11. COMPOSITION OF COMMITTEES FOR INCENTIVE SANCTION

11.1. DISTRICT LEVEL SCRUTINY-CUM- VERIFICATION COMMITTEE

- 11.1.1. The District Level Scrutiny-cum-Verification Committee (SVC) shall scrutinize various incentive claim applications from eligible Micro and Small category enterprises and make recommendations to the DIEPC regarding sanction of incentives.
- 11.1.2. The District Level Scrutiny-cum-Verification Committee (SVC) shall comprise of the following members -

S.No	Committee Members	Role
1	General Manager/DIO, District Industries Centre	Chairman
2	Manager, A.P. State Financial Corporation of concerned district	Member
3	Zonal Manager, A.P. Industrial Infrastructure Corporation concerned District or his nominee	Member
4	District Registration & Stamps, Revenue Department or his nominee	Member
5	Representative of AP Food processing Society	Member
6	Representative of AP MSME Corporation	Member
7	Representative of AP Technology Services	Member
8	Representative from DISCOM concerned	Member
9	Assistant Commissioner (ST), Commercial Taxes Dept. or his nominee	Member
10	Lead District Manager or his nominee	Member
11	Representative from Transport Department	Member

S.No	Committee Members	Role
12	Deputy Director/Assistant Director concerned	Member- Convener

11.2. DISTRICT INDUSTRIES AND EXPORT PROMOTION COMMITTEE ON INCENTIVES (DIEPC)

11.2.1. The DIEPC committee shall consider the recommendations of district scrutiny-cum-verification committee (SVC) and shall take appropriate decision including sanction or rejection of the claims of micro and small enterprises (not deviating from the norms defined by GoI for MSMEs)

11.2.2. The committee shall comprise of following members.

S.No	Committee Members	Role
1	District Collector	Chairman
2	Regional Authority of Directorate General of Foreign trade	Co-Chairman
3	Representative of regional office of MSME and/or representative of MSME-DFO as necessary	Member
4	Representative from Sector specific Export Promotion Council	Member
5	Representative from Quality and Standards implementation body for products/services	Member
6	Representatives from sector specific Ministries from GoI (Agriculture, Fisheries, Mines & Geology, Drugs & Pharmaceuticals, Horticulture & Food Processing etc.,)	Member
7	Representatives from sector specific Ministries from State Govt. as necessary	Member
8	Representative from Commercial Taxes Department/GST	Member
9	Representative from Road Transport Authority	Member
10	Branch Manager, A.P. State Finance Corporation	Member
11	Deputy Chief/ Inspector of Factories Dept.	Member
12	Environmental Engineer, APPCB	Member
13	Representative from Marketing Dept.	Member
14	Superintendent Engineer / Divisional Engineer, APTRANSCO/ DISCOMs	Member
15	Zonal Manager, AP Industrial Infrastructure Corporation	Member
16	Sectoral agencies specific to Product identified in each District (NABARD etc.,)	Member
17	Representative from Social Welfare Dept.	Member
18	District Panchayat Officer	Member
19	Commissioner, Municipality / Urban Development	Member
20	Lead District Officer / Lead Bank Manager	Member
21	Five (5) representatives of Industrial Associations	Member
22	Representatives of any line Department/ Department of GOI or Expert as Special Invitee, wherever necessary	Invitee
23	Representative of AP Food Processing Society	Member
24	Representative of AP Technology Service	Member
25	General Manager, District Industries Centre	Member – Convener

11.3. STATE LEVEL SCRUTINY-CUM-VERIFICATION COMMITTEE

11.3.1. The State Level Scrutiny-cum-Verification Committee (SSVC) shall scrutinize various incentive claim applications from eligible Medium and above category enterprises and make recommendations to the SLC regarding sanction of incentives.

11.3.2. The State Level Scrutiny-cum-Verification Committee (SSVC) shall comprise of the following members -

S.No	Committee Members	Role
1	Additional Director	Chairman
2	Nominee of Inspector General, Registration & Stamps, Revenue Department	Member
3	Nominee of The Chief Commissioner of State Tax, Commercial Taxes Dept	Member
4	Nominee from State Level Bankers Committee	Member
5	General Manager, A.P. State Financial Corporation, or his nominee.	Member
6	Nominee of Managing Director, A.P. Industrial Infrastructure Corporation	Member
7	Nominee from CMD, A.P. Transco	Member
8	Nominee of CMD, APEPDCL, Visakhapatnam	Member
9	Nominee of CMD, APCPDCL, Vijayawada	Member
10	Nominee of CMD, APSPDCL, Tirupati	Member
11	Representative of AP Food processing Society	Member
12	Representative of MSME corporation	Member
13	Representative of AP Technology Services	Member
14	Joint Director- Incentives	Member- Convener

11.4. STATE LEVEL COMMITTEE ON INCENTIVES (SLC)

11.4.1. The State Level Committee (SLC) on incentives shall scrutinize and sanction the claims of medium and above enterprises. The representatives from the government departments shall be at least at the rank of JD or above.

11.4.2. The State Level Committee (SLC) on incentives shall comprise of the following members -

S.No	Committee Members	Role
1	Commissioner of Industries	Chairman
2	Additional Secretary/Joint Secretary/Deputy Secretary to Government, Finance & Planning (Fin. Wing) Dept., dealing with the subject	Member
3	Additional Secretary/Joint Secretary/Deputy Secretary to Government,	Member

S.No	Committee Members	Role
	Industries & Commerce Department	
4	Commissioner of Labour or his Nominee (above Joint Director)	Member
5	CEO, MSMEDC	Member
6	CEO, APFPS	Member
7	ED, APTS	Member
8	President of Federation of A.P. Chamber of Commerce and Industry	Member
9	The Chairman of Confederation of Indian Industry (CII)	Member
10	The President of Federation of A.P. Small Industries Association(FAPSIA)	Member
11	President, Federation of the Small and Medium enterprises(FSME)	Member
12	President, Dalit Indian Chamber of Commerce& Industry(DICCI)	Member
13	President, Andhra Chamber of Commerce, Vijayawada	Member
14	President, ALEAP	Member
15	The Chairman, A.P. Spinning Mills Association, Hyderabad	Member
16	Managing Director, A.P. State Financial Corporation, Mangalagiri or his nominee	Member
17	Managing Director, A.P. Industrial Infrastructure Corporation, Vijayawada or his nominee	Member
18	Commissioner of Commercial Taxes or his nominee	Member
19	Commissioner of Tribal Welfare or his nominee	Member
20	Commissioner of Social Welfare or his nominee	Member
21	Commissioner of BC Welfare or his nominee	Member
22	Director, Commercial, APTRANSCO or his nominee	Member
23	Commissioner & Inspector General, Registration & Stamps, Revenue Department or his nominee.	Member
24	Member Secretary, APPCB or his nominee	Member
25	President, Dalit Industrial Association (DIA)	Member
26	President, SC-ST Chamber of Commerce & Industry	Member
27	General Secretary, Tribal Indian Chamber of commerce and Industry	Member
28	Commissioner, Transport or his nominee	Member
29	Chief Commissioner, Land Administration or his nominee	Member
30	Convener, SLBC	Member
31	Nominee of Canara Bank	Member
32	Nominee of State Bank of India	Member
33	Nominee of Union Bank of India	Member
34	Additional Director of Industries dealing with the subject incentives	Convener

12. POWERS OF SCRUTINY-CUM-VERIFICATION COMMITTEES OF DIEPC/SLC

- 21.1. After receipt of claim application, the Member-Convener will prepare the appraisal note for each case in the form prescribed for placing before respective Scrutiny-

- cum-Verification Committee for recommending to the SLC/DIEPC, as the case may be.
- 21.2. The Scrutiny-cum-Verification Committees will meet as often as required, but not less than once in a month. The Member - Convener will arrange to record the minutes of each meeting, get them duly approved by the Additional Director concerned at state level or General Manager concerned at district level and will be placed before SLC/ DIEPC respectively.
 - 21.3. After receipt of Scrutiny-cum-Verification Committee recommendations, the Member- Convener of SLC/DIEPC will prepare the agenda note for placing before SLC/DIEPC for taking decision.

13. POWERS OF SLC AND DIEPC

- 22.1. The SLC and DIEPC will meet as often as required, but not less than once in two months in so far as sanction of incentives are concerned. The Member- Convener will arrange to record the minutes of each meeting, get them duly approved by the Chairperson and communicate attested copies to all the members.
- 22.2. The decisions of the SLC shall be final in scrutinizing, deciding the eligible investment, sanctioning the incentives in implementation of the Government Orders. However, SLC can also review the earlier decisions wherever necessary, regarding scrutiny and sanction within the framework of the policy. In case of any doubt/ambiguity on any issue or item covered by these guidelines for implementing the policies, the decision / interpretation of SLC will seek directions of the Government.
- 22.3. In view of delegation of powers to districts for scrutiny and sanction of claims in respect of MSME enterprises as defined in MSME Act from time to time, a system of review and intervention on all pending claims beyond two months from the date of receipt of the proposal at the DICs will be reviewed by SLC and initiate appropriate action for concluding the proposals / claims. The Commissioner of Industries shall pick up a list from the sanctioned incentives to take up random inspections. SLC will select at least 20% of sanctioned claims by the DICs to cause random scrutiny of the files including visit of the unit to ensure a fair system of checks and balances.
- 22.4. The SLC has the powers to condone the Break-in-production period of industrial Enterprises up to three (3) years in respect of medium and above enterprises. Similarly, DIEPC has the power to condone the Break-in-production period of industrial Enterprises up to three (3) years in respect of micro and small enterprises. However, such Break-in-production period should be due to the reasons beyond the control of the Management such as shortage of raw-materials, power and change of management, Fire accidents and natural calamities etc.
- 22.5. The SLC will review the working of the scheme and release of funds.
- 22.6. Any new line of activity/ other activities which are not listed can be encouraged with the proper scrutiny by DIEPC and recommend to SLC for clarification.

14. WORK TO BE ATTENDED BY THE MEMBER CONVENERS

- 23.1. **State Level Committee on Incentives:**

- a) Convening the SLC meetings, drawing up the minutes of the meetings and communicating these to the members with the approval of the Chairperson;
- b) Disbursement of funds to the Enterprises/Industries sanctioned observing the chronological order of sanctions within the set pattern and norms approved by SLC, if necessary.
- c) Arranging maintenance of records of sanctions / disbursements in the manner prescribed. The incentive sanction register should be in the form prescribed.
- d) A Separate memorandum having claims beyond two months from the date of receipt of the proposal at the DICs shall be placed before SLC for review.

23.2. District Industries & Export Promotion Committee (DIEPC) on Incentives:

- a) Convening the DIEPC meetings, drawing up the minutes of the meetings and communication to the members and to the Commissioner of Industries with the approval of Chairperson.
- b) Maintaining necessary accounts and registers and furnish details as and when called for by the SLC / Commissioner of Industries and producing to the audit.
- c) Prepare the list of claims applied, pending for processing, placed in SVC, and returned to the applicant for want of shortfall documents. The list shall be placed before SVC/DIEPC for review.
- d) Convener shall communicate the list of units (transport vehicles, proclaimers, etc) registered with transport department and are sanctioned in the DIEPC to the Transport Department so as to keep lock on transfer of ownership as per conditions mentioned in Annexure – 3A.
- e) The incentive sanction register should be in the form prescribed.

15. FUNCTIONS TO BE ATTENDED BY DISTRICT INDUSTRIES OFFICER/ GENERAL MANAGER DICs

- 24.1. Receiving and processing of claim applications strictly as per seriatim and to ensure for placing the same before the SVC and DIEPC as per the Service Level Agreement limits specified in respect of micro and smallcases and forward the claim applications to Commissioner of Industries office,or CEO, APFPS, as the case may be,in respect of Medium and aboveenterprises,strictly as per seriatim,for processing of claims and placing the same before SSVC and SLC within SLA limits specified.
- 24.2. To initiate action to recover the incentives wherever warranted. In respect of Break-in production of Enterprise and break in partnership of ownership of the unit, the concerned GM, DIC should monitor the progress of these Enterprises and submit report to the Commissioner of Industriesor CEO, APFPS as the case may be, on a half yearly basis.
- 24.3. The General Manager/DIO, District Industries Centre shall receive online incentive applications of the Enterprise / Industries. The General Manager, DIC should give access for downloading the online applications to the concerned Inspecting Officers / IPOs / ADs / DDs on daily basis and the officers should visit the industry for obtaining application form and enclosures as per check list within 7 days. The General Managers should review the cases wherever there are delays beyond 7 days and place in the DIEPCs for review. In respect of Mediumand aboveProjects, the designated Inspecting Officer or GM, DIC will follow the similar procedure.

- 24.4. The General Manager/DIO shall frequently review and track the progress on the district level dashboard for pendency of claims.
- 24.5. The Commissioner of Industries, CEO, APFPS, CEO, MSME corporation and General Managers of District Industries Centres shall maintain a separate data on a) Receipt of Incentive Applications b) Sanctions c) Receipt of funds and releases.
- 24.6. All files pertaining to sanctioned DIEPC and SLC cases data must be kept for a period of 10 years and made available for inspection of audit / inspecting authorities. Files pertaining to audit objection if any, shall be kept in record till such objections are cleared/deleted from the audit paras.

16. FURNISHING OF STATEMENT OF ACCOUNT/INFORMATION BY ELIGIBLE INDUSTRIAL ENTERPRISES

- 25.1. Industrial Enterprises, which obtain incentives under the scheme, shall furnish certified copy of audited accounts including Balance Sheet before 30th June of the succeeding year to the disbursing agencies i.e. to the GM, DIC, of District concerned through online system.
- 25.2. Such statement should be furnished for a period of minimum six (6) years or eight (8) years, as per the case.
- 25.3. Further, industrial Enterprises should also furnish details of production, sales, employment, etc., through online system in the proforma prescribed to the GM, DIC concerned as an Annual Return before 30th June of the succeeding year.
- 25.4. However, MSMEEnterprises may furnish only the Annual Performance Report in the proforma prescribed in Annexure 15 to the General Manager, DIC concerned as an Annual Return before 30th June of the succeeding year, for a period of six (6) years or eight (8) years as the case may be after going into commercial production.
- 25.5. In case if any entrepreneur fails to submit the certified audited accounts including Balance Sheet or Annual Performance Report in time, the recurring incentives in future will be stopped.

17. INTERPRETATION

When any matter arises for the purpose of interpretation on which State Level Committee (SLC) could not take a decision or in case where any suggestions are made outside the scope of SLC in regard to implementation of the scheme, such matters shall be referred to the Government in Industries & Commerce Department, Government of Andhra Pradesh for decision.

18. PENALTIES

Without prejudice to anything included in this paragraph, it is hereby ordained that any willful misrepresentation of facts, action/inaction on behalf of entrepreneur leading to irregular sanction/disbursement of incentives under the above policies will invite civil and criminal action as per extant laws besides recovery of the amount irregularly disbursed, if any, and debarring the unit from claiming incentives in the future.

SECTION B – INCENTIVE APPLICATION PROCEDURES

1. TAILOR MADE INCENTIVE PACKAGE FOR MEGA AND ABOVE PROJECTS:

- a) Companies intending to establish Mega and aboveProjects are desirous of seeking financial assistance/concessions must present detailed representations along with project reports to the Commissioner of Industries or CEO, APFPS as the case may be, clearly spelling out special incentives being sought with due justification before or during initial stages of implementation.
- b) The definition of Mega and above projects shall be as defined in the respective policies.
- c) On receipt of such proposals, Commissioner of Industries or CEO, APFPS, will examine the same with due diligence and forward it to the Government following due procedure defined before placing it before the SIPC and SIPB for taking the decision in the matter.

1.1. STATE INVESTMENT PROMOTION COMMITTEE (SIPC)

1.1.1. The State Investment Promotion Committee (SIPC) shall comprise of the following members or as amended from time to time -

S.No	Committee Members	Role
1	Chief Secretary to Government	Chairman
2	Special Chief Secretary/ Principal Secretary/ Secretary, Revenue (Land and DM, Registration and Stamps) Department	Member
3	Special Chief Secretary/ Principal Secretary/ Secretary, Revenue (CT) Department	Member
4	Special Chief Secretary/ Principal Secretary/ Secretary, Transport, Roads and Buildings Department	Member
5	Special Chief Secretary/ Principal Secretary/ Secretary, MA&UD Department	Member
6	Special Chief Secretary/ Principal Secretary/ Secretary, Energy Department	Member
7	Special Chief Secretary/ Principal Secretary/ Secretary, Finance Department	Member
8	Special Chief Secretary/ Principal Secretary/ Secretary, Water Resources Department	Member
9	Special Chief Secretary/ Principal Secretary/ Secretary, Industries, Commerce & Food Processing Department	Member
10	Special Chief Secretary/ Principal Secretary/ Secretary, Infrastructure & Investments Department	Member
11	Special Chief Secretary/ Principal Secretary/ Secretary, (Coordination), General Administration Department	Member
12	Special Chief Secretary/ Principal Secretary/ Secretary, Planning Department	Member
13	Chief Executive Officer, Andhra Pradesh Economic Development Board	Member
14	Concerned Special Chief Secretary/ Principal Secretary/	Special

S.No	Committee Members	Role
	Secretary (wherever required)	Invitee
15	Commissioner/ Director of Industries, Andhra Pradesh	Member/ Convenor

- 1.1.2. The State Investment Promotion Committee (SIPC) shall convene atleast once every month for discussion of agenda which constitute but not limited to
- a) scrutinize and recommend tailor made incentives including Financial and non-financial benefits to Mega and above projects
 - b) evaluate and recommend extent of landfor projects having requirement of more than 50 acres
 - c) evaluate and recommend revision/modification/relaxation on contractual terms for Mega and above projects that have breached agreed service level agreements. Any recommendation by SIPC shall not override conditions stipulated by the Judiciary.
 - d) Repetitive requests received from Mega and above projects that may require standardization/policy level interventions.
- 1.1.3. The concerned Principal Secretary/ Secretary to the Government, willing to place their proposals before the SIPC for decision, shall send the agenda notes to the Commissioner of Industries.
- 1.1.4. The agenda shall be structured as indicated below to apprise the committee about the proposal and help the committee to take rational decision

Proposals requesting Tailor made incentives or Land requirement > 50 acres
<ol style="list-style-type: none"> 1. Firm details 2. Proposal Summary view 3. Investment break-up 4. Financing Details 5. Land Locations details 6. Approvals status 7. Incentive Wishlist 8. Impact to state
Projects that breached SLA and requesting relaxations
<ol style="list-style-type: none"> 1. Firm details 2. Committed timeline vs Actual Timeline 3. Request of company 4. Sequence of events 5. Department comments 6. Impact to State

- 1.1.5. The Commissioner of Industries will circulate the agenda notes to all the members and collate their responses and will place before the SIPC in consultation with the Chairman.
- 1.1.6. The committee, after deliberations, will place their remarks before the State Investment Promotion Board for their consideration and approval / for a suitable decision.

1.2. STATE INVESTMENT PROMOTION BOARD (SIPB)

- 1.2.1. The State Investment PromotionBoard (SIPB) shall comprise of the following members or as amended from time to time -

S.No	Committee Members	Role
1	Chief Minister	Chairman
2	Deputy Chief Minister, Minister for Panchayat Raj, Rural Development, Rural Water Supply, Environment, Forest, Science & Technology	Member
3	Minister for Finance & Planning, Commercial Tax & Legislative	Member
4	Minister of Human Resource Development, Information Technology, Electronics, Communications & RTG	Member
5	Minister for Revenue, Registration & Stamps	Member
6	Minister for Municipal Administration & Urban Development	Member
7	Minister for Agriculture & Co-operation, Marketing, Animal Husbandry, Diary Development & Fisheries	Member
8	Minister for Labour, Factories, Boilers and Insurance Medical Services	Member
9	Minister for Industries, Commerce & Food Processing	Member
10	Minister for Roads, Buildings, Infrastructure & Investments	Member
11	Minister for Energy	Member
12	Minister for Tourism, Culture & Cinematography	Member
13	Special Chief Secretary/ Principal Secretary/ Secretaries to Government	Member
14	Chief Secretary to Government of Andhra Pradesh	Member/ Convenor

- 1.2.2. The State Investment Promotion Board (SIPB) will meet at regular intervals to examine all the proposals related to Industrial and infrastructure Investments and to take appropriate decisions for early realization of investments in the state of Andhra Pradesh.
- 1.2.3. The SIPB shall evaluate the recommendations of SIPC and make a final decision on the agenda proposals.
- 1.2.4. After obtaining SIPC & SIPB approvals and ratification by cabinet (wherever required), respective line department Secretaries shall issue Government Order mentioning the terms agreed, timelines for each of the specific proposals.

2. APPLICABILITY UNDER EARLY BIRD OFFER

- 2.1. With an intention to incentivize investors investing early during the policy period, IDP 4.0 is introducing early bird offer on investment subsidy for the below two categories
 - i. **Category I** – First 200 general enterprises receiving CFE within 18 months of notification of IDP 4.0 policy(26-Apr-2026).
 - ii. **Category II** – enterprises investing in component manufacturing (in the sub-sectors indicated in the list appended at Annexure – 3C and receiving CFE within 24 months of notification of IDP 4.0 policy (26-Aug-2026). There is no restriction on count of enterprises eligible under this category, as long as they fall in the indicated sector list.
- 2.2. The early bird incentive is applicable for Sub-large and above enterprises (except for enterprises availing tailor made incentives). Enterprises can claim the incentive under either category I or category II only, but not in both.

- 2.3. The incentive under early bird offer shall override the incentive offered under investment subsidy provided under IDP 4.0 or any other sectoral policies.
- 2.4. The enterprises availing early bird offer under IDP 4.0, will not be constrained from applying incentives eligible (excluding investment subsidy) under other sectoral policies, released during the operating period of the policy, subject to overall incentive cap limit.
- 2.5. For the above mentioned two category of projects, quantum of investment subsidy, as tabulated below, shall be applicable -

#	Policy	Incentive (as % of eligible FCI)	Capping Limit (INR)	Disbursement period
IDP 4.0 – Category I (General enterprises)				
1	Sub-Large	30%	150 Crores	5 years
2	Large	30%	300 Crores	7 years
3	Mega	30%	1,500 Crores	10 years
4	Ultra Mega	30%	Limited to eFCI	10 years
IDP 4.0 – Category II (General enterprises)				
1	Sub-Large	40%	200 Crores	5 years
2	Large	40%	400 Crores	7 years
3	Mega	40%	2,000 Crores	10 years
4	Ultra Mega	40%	limited to eFCI	10 years

- 2.6. For women/BC/SC/ST/specially-abled/ enterprises in sub large category, having domicile from AP, an additional investment subsidy of 5% of eligible FCI (i.e., 35% of eligible FCI for category I & 45% of eligible FCI for Category II within the cap limits indicated) is applicable.
- 2.7. Early bird offer shall be applicable to all eligible New/Expansion/Diversification projects with eligible FCI more than INR 50 Crore, provided line of activity is not restricted under this operating guidelines.
- 2.8. The offer window shall start from such date as notified by Commissioner of Industries office, post notification of operating guidelines of the IDP 4.0 policy.
- 2.9. The projects which receive CFE (within 18 months for category I or within 24 months for category II), will have to submit their intent for claiming the early bird incentive through an online intent form (Annexure 18) provided on industries website.
- 2.10. Commissioner of Industries may decide to extend the early bird window period (18 months for Category I and 24 months for Category II), if required.
- 2.11. All applications received for early bird offer, shall be scrutinized by committee formed by Commissioner of Industries and place them before SIPC & SIPB at a frequency of every two months, following the seriatim, for approval.
- 2.12. For deciding the first 200 eligible projects, the precedence order followed will be (i) date and time of submitting the intent form (ii) date and time of receiving CFE certificate (iii) date of committed DCP/CFO (iv) E/I ratio of project.
- 2.13. Preference will be given to projects committing DCP within the operating period of the policy, generating high employment, sectors of importance to state, location etc.
- 2.14. Of the first 200 (category I) projects under early bird offer 120 projects are reserved for new and 80 projects reserved for expansion enterprises.
- 2.15. Enterprises falling in Category I & II indicated above, shall achieve DCP within the standard investment period, for eligibility of the incentive.
- 2.16. All eligible Enterprises shall submit their claims in the prescribed application form given at Annexure – 6A, within six months from the DCP, to the GM, DIC concerned, through Online Incentive Portal.

- 2.17. SLC shall verify the claim documents and approve the incentive eligible to claim under early bird, if all the requirements under investment subsidy are met.
- 2.18. Approved Incentive amount shall be disbursed in equal annual installments, subject to fulfilment of installation of plant and machinery requirements for the corresponding investment categories, over the disbursement period for the respective category.
- 2.19. For Enterprises receiving DCP beyond standard investment period unless otherwise relaxed through a G.O, the incentive will be reduced by 0.5% for each month of delay in DCP from the standard investment period.

3. INVESTMENT SUBSIDY

- 3.1. All eligible industrial Enterprises shall submit their claims in the prescribed application form given at Annexure – 6Afor investment subsidy within six months from the DCP, subject to fulfilment of committed capacity of plant and machinery installation requirement, to the GM, DIC concerned, through Online Incentive Portal.
- 3.2. Fixed Capital Investment will be inclusive of investment made towards De-Carbonization projects. In cases where enterprises are availing De-carbonization subsidy will have to show investment towards De-carbonization project and reset of the project individually.
- 3.3. The total Investment Subsidy including the subsidies of State Government and Central Government together will be limited to 75% of the investment of a component taken into consideration.
- 3.4. Investment subsidy shall be applicable to all identified service activities, as per the list appended at Annexure – 2 and 3A, subject to fulfilment of all conditions stipulated.
- 3.5. The subsidy shall be released to the Enterprises as per the project cost approved by the Financial Institution in case of aided enterprises and by the Chartered accountant in case of self-financed enterprises.
- 3.6. Approved Incentive amount shall be disbursed in equal annual installments over the disbursement period for the respective category.
- 3.7. Enterprises achieving DCP, within the standard investment period will be eligible for investment subsidy.
- 3.8. For Enterprises receiving DCP beyond standard investment period unless otherwise relaxed through a G.O, the incentive will be reduced by 0.5% for each month of delay in DCP from the standard investment period.

MEDP 4.0

- 3.1. Investment Subsidy shall be applicable to all eligible New Enterprises only, subject to fulfillment of all other conditions stipulated. This is not applicable for expansion/diversification projects.

3.2. The quantum of Investment subsidy for different categories and sectors is tabulated below.

Slab	Micro		Small		Medium	
	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II
Investment limit	Upto ₹1 Cr	Above ₹1 Cr Upto ₹2.5Cr	Above ₹2.5 Cr Upto ₹10 Cr	Above ₹10 Cr Upto ₹25 Cr	Above ₹25 Cr upto 50 Cr	Above ₹50 Cr Upto ₹125 Cr
Capital Subsidy (MEDP 4.0 and FPP 4.0)	25% of Eligible Fixed Capital Investment (Cap 25 Lakhs) - Disbursement period from 1 st invoice in 2 yrs	25% of Eligible Fixed Capital Investment (Cap 50 Lakhs) - Disbursement period from 1 st invoice in 3 yrs	25% of Eligible Fixed Capital Investment (Cap 1.50 Cr) - Disbursement period from 1 st invoice in 3 yrs	25% of Eligible Fixed Capital Investment (Cap 5 Cr) - Disbursement period from 1 st invoice in 4 yrs	25% of Eligible Fixed Capital Investment (Cap 7 Cr) - Disbursement period from 1 st invoice in 4 yrs	25% of Eligible Fixed Capital Investment (Cap 10 Cr) - Disbursement period from 1 st invoice in 5 yrs

S.No	Category	Subsidy (as % of eligible FCI)	Max. subsidy (INR)	Disbursement period
Primary processing units				
1	FPOs/SHGs/ Federations/ Co-operatives/ Societies	25%	50 Lakh	2 years
Secondary/Tertiary processing units				
1	FPOs/SHGs/ Federations/ Co-operatives/ Societies	35%	5 Crores	2 years
For Waste processing units				
1	FPOs/SHGs/ Federations/ Co-operatives/ Societies	50%	2 Crores	2 years
For Modern Abattoirs/ Meat processing/Animal Feed units				
1	FPOs/SHGs/ Federations/ Co-operatives/ Societies	50%	15 Crores	2 years
For Food Testing Laboratories				
1	MSME	35%	5 Crores	2 years

3.3. Special package of incentive is available for women/BC/SC/ST/specially abled led MSMEs, as detailed in Section 15.

IDP 4.0

- 3.4. The quantum of Investment subsidy for different categories and sectors is tabulated below.

S.No	Category	Subsidy (as % of eligibleFCI)	Max. subsidy (INR)	Disbursement period
General Industries				
1	Sub-Large	12%	60 Crores	5 years
2	Large	12%	120 Crores	7 years
3	Mega	15%	150 Crores	10 years
4	Ultra Mega	15%	750 Crores	10 years

- 3.5. Special package of incentive is available for BC/SC/ST/specially abled led sub Large enterprises as detailed in Section 17.
- 3.6. Requirement for installation of plant and machinery to be eligible for incentive claim is tabulated below -

S.No	Installed plant capacity	Eligible incentive
1 Sub Large Project		
	100% of total committed plant capacity	12% of eligible Fixed capital Investment
2 Large Project		
	50% of total committed plant capacity	6% of eligible Fixed capital Investment
	100% of total committed plant capacity	6% of eligible Fixed capital Investment
3 Mega & Ultra Mega Projects		
	50% of total committed plant capacity	5% of eligible Fixed capital Investment
	75% of total committed plant capacity	5% of eligible Fixed capital Investment
	100% of total committed plant capacity	5% of eligible Fixed capital Investment

- 3.7. Upon achieving the milestone of installed plant capacity for large and above Enterprises, as stipulated in the table above, enterprises are eligible to claim incentive, to the extent of corresponding eligible incentive percentage indicated.
- 3.8. Enterprises which claim this incentive with part commissioning (50% or 75%), can claim other incentives upon fulfilling the conditions for each of the incentive category accordingly.

FPP 4.0

- 3.9. All eligible Enterprises shall submit their claims in the prescribed application form given at Annexure – 6A for investment subsidy within six months from the DCP, subject to fulfilment of committed capacity of plant and machinery installation requirement, to the GM, DIC concerned, through Online Incentive Portal.
- 3.10. The Quantum of Investment Subsidy for different categories and sectors is tabula

- 3.11. Investment Subsidy shall be applicable to all eligible New/Expansion/Diversification projects.
- 3.12. Special package of incentive is available for BC/SC/ST/specially abled led MSMEs, as detailed in Section 15.
- 3.13. For Food processing industries, the activities qualifying as primary/secondary/tertiary processing, is indicated at Annexure 3D.
- 3.14. Requirement for installation of plant and machinery to be eligible for incentive claim is tabulated below -

S.No	Installed plant capacity	Eligible incentive
Large Project		
1	100% of total committed plant capacity	12% of eligible Fixed capital Investment

4. TECHNOLOGY UPGRADATION COST

#	Policy	Incentive (as % of eligible FCI)	Capping Limit (INR)	Disbursement period
IDP 4.0				
1	Sub-Large	Nil	-	-
2	Large	Nil	-	-
3	Mega	Nil	-	-
4	Ultra-Mega	Nil	-	-

Slab	Micro		Small		Medium	
	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II
Investment limit	Upto ₹1 Cr	Above ₹1 Cr Upto ₹2.5Cr	Above ₹2.5 Cr Upto ₹10 Cr	Above ₹10 Cr Upto ₹25 Cr	Above ₹25 Cr upto 50 Cr	Above ₹50 Cr Upto ₹125 Cr
Tech up gradation/expansion cost (MEDP 4.0 and FPP 4.0)	20% of Eligible Fixed Capital Investment (Cap - ₹20 Lakhs) – Disbursement period From 1 st invoice in 2 yrs	20% of Eligible Fixed Capital Investment (Cap ₹ 50 Lakhs) – Disbursement period From 1 st invoice in 3 yrs	20% of Eligible Fixed Capital Investment (Cap -1Cr) – Disbursement period From 1 st invoice in 3 yrs	20% of Eligible Fixed Capital Investment (Cap-₹3Cr) – Disbursement period From 1 st invoice in 5 yrs	20% of Eligible Fixed Capital Investment (Cap-5 Cr) – Disbursement period From 1 st invoice in 5 yrs	20% of Eligible Fixed Capital Investment (Cap-₹8Cr) – Disbursement period From 1 st invoice in 5 yrs

#	Policy	Incentive (as % of eligible FCI)	Capping Limit (INR)	Disbursement period
FPP 4.0				
1	FPOs/SHGs/Federations/Co-operatives/Societies	35 %	3 Crores	2 years

- 4.1. All eligible Enterprises shall submit their claims in the prescribed application form given for investment subsidy (Annexure- 6A) within six months from the DCP, to the GM, DIC concerned, through Online Incentive Portal. The quantum of Investment subsidy for different categories and sectors, for technology upgradation, is tabulated as above.
- 4.2. Technology upgradation Subsidy shall be applicable to MSMEs and large units (as per the FPP 4.0 definition), under expansion/diversification/modernization enterprises only and is not applicable to new enterprises.
- 4.3. Special package of incentive is available for BC/SC/ST/specially abled led MSMEs, as detailed in Section 15.
- 4.4. The subsidy shall be approved by DIEPC/SLC, as the case may be, to the Enterprises as per the additional technology upgradation cost approved by the Financial Institution in case of aided enterprises and by the Chartered accountant in case of self-financed enterprises.
- 4.5. Technology upgradation subsidy shall be applicable to all identified service activities, as per the list appended at Annexure – 2& 3A, subject to fulfilment of all conditions stipulated.

5. TOP UP ON PLI / GOVERNMENT OF INDIA SCHEMES

5.1. IDP 4.0–Top-up on PLI / Government of India Schemes

- a) This top-up subsidy is in addition to the investment subsidy.
- b) The top-up subsidy is a capital subsidy applicable only for those projects that received GoI approval under Production Linked Incentive (PLI) schemes notified by GoI or any other GoI scheme, notified by the state government separately from time to time.
- c) The incentive is applicable for new/expansion/diversification enterprises, notwithstanding any limitation in the GoI scheme guidelines.
- d) SIPC shall decide any GoI schemes, under which Top-up incentive can be made applicable to, from time-to-time.
- e) The approval received from GoI for the said purpose shall be within the policy operative period.
- f) The PLI/GoI scheme under which the top-up incentive is being claimed shall be valid as on the date of submitting the claim.
- g) The quantum of top-up subsidy for eligible enterprises shall Be as tabulated below

#	Policy	Incentive (as % of incentive sanctioned under PLI/GoI scheme)	Capping Limit (INR)	Disbursement period
PLI or other state recognized GoI scheme - approved projects				
1	Sub-Large	10%	5% of eligible Fixed capital Investment	5 years
2	Large	10%	5% of eligible Fixed capital Investment	7 years
3	Mega	10%	5% of eligible Fixed capital Investment	10 years
4	Ultra-Mega	10%	5% of eligible Fixed capital Investment	10 years

- h) The maximum cap for top-up subsidy shall be 5% of eligibleFCI made in the state.
- i) Of the total investment committed to GoI, only proportionate investment (investment excluding land and building cost) made in the state of Andhra Pradesh, shall be considered for computation of eligibleFCI for top-up subsidy.
- j) The procedure to apply for claim, eligibility criteria for Incentive claim, disbursement period and penalty clauses are as applicable in investment subsidy.

5.2. FPP 4.0 – Top up on Government of India Schemes

- a) The top-up subsidy is a capital subsidy applicable only for those projects that received GoI approval under PMKSY or other state recognized GoI schemes.
- b) SIPC shall decide any GoI schemes, under which Top-up incentive can be made applicable to, from time-to-time.
- c) The incentive is applicable for new/expansion/diversification enterprises, not with standing any limitation in the GoI scheme guidelines.
- d) For calculation of additional incentive for top up, GoAP will consider the project cost as per the sanction/ approval letter issued by Government of India.
- e) The quantum of top-up subsidy for eligible enterprises shall Be as tabulated below

#	Policy	Incentive	Capping Limit (INR)	Disbursement period
For Projects sanctioned under PMKSY from MoFPI, GOI				
1	Agro processing cluster	15% of eligible project cost	1 Crore	5 years
2	Irradiation facility	15% of eligible project cost	1 Crore	5 years
3	Food Safety and quality assurance - Equipment	15% of eligible project cost	10 Lakhs	5 years
4	Food Safety and quality assurance – Technical civil work related to processing area	10% of eligible project cost	5 Lakhs	5 years
5	Operation greens – Long term	15% of eligible project cost	1 Crore	5 years
Other state recognized GoI schemes				
6	Animal Husbandry Infrastructure Development Fund (AHIDF)	2% interest subvention on term loan	5 Crores	On Annual Basis for 5 years
7	Agriculture Infrastructure Fund (AIF)	2% interest subvention on term loan	1 Crore	On Annual Basis for 5 years

- f) The disbursement of top up incentive will be in equal installments over the disbursement period indicated for each of the component indicated in the table above, provided the unit is operating with at least 50% of installed capacity.
- g) Investment made in AP, beyond what is committed to GoI for the sanction of project, will not be considered for the top-up incentive.

6. EMPLOYMENT SUBSIDY

#	Policy	Incentive (as % of eligible FCI)	Capping Limit (INR)	Disbursement period
*Investment in INR Crores. Employment in numbers (Direct employment)				
IDP 4.0 – Ratio of Employment to Investment – Less than 1				
1	Sub-Large	Nil	Not applicable	Not applicable
2	Large	Nil	Not applicable	Not applicable
3	Mega	Nil	Not applicable	Not applicable
4	Ultra-Mega	Nil	Not applicable	Not applicable
IDP 4.0 – Ratio of Employment to Investment – between 1 to 3				
1	Sub-Large	8%	40 Crores	5 years
2	Large	8%	80 Crores	7 years
3	Mega	8%	400 Crores	9 years
4	Ultra-Mega	8%	As per eligibleFCI	10 years
IDP 4.0 – Ratio of Employment to Investment – between 3 – 4				
1	Sub-Large	9%	45 Crores	5 years
2	Large	9%	90 Crores	7 years
3	Mega	9%	450 Crores	9 years
4	Ultra-Mega	9%	As per eligible FCI	10 years
IDP 4.0 – Ratio of Employment to Investment – greater than 5				
1	Sub-Large	10%	50 Crores	5 years
2	Large	10%	100 Crores	7 years
3	Mega	10%	500 Crores	9 years
4	Ultra-Mega	10%	As per eligible FCI	10 years

6.1. **Applicability under IDP 4.0**

- a) Enterprises showing higher Employment to Investment (E/I) ratio will be incentivized with the employment creation subsidy.
- b) Employment subsidy is applicable new/expansion/diversification enterprises and only to the extent of new employment created from the unit for which incentive is claimed for. The employment subsidy claim can be submitted only once during the policy period.
- c) All eligible Enterprises shall submit their claims in the prescribed application form given at Annexure – 6A, within two years from standard Investment period, but no more than six months beyond policy operative period, to the GM, DIC concerned, through Online Incentive Portal.
- d) The quantum of Employment subsidy for different E/I bands is tabulated below.

Employment to Investment (E/I) ratio	Eligible incentive %
5 and above	10% of eligibleFCI
> = 3 and < 5	9% of eligibleFCI
> = 1 and < 3	8% of eligibleFCI
Less than 1	NIL

- e) DIEPC or SLC as the case may be, shall consider average annual employment created six months prior to the date of submitting the employment subsidy claim, to approve the eligible incentive percentage (as categorized in the table above) for E/I ratio stated in the claim. The Employment, E/I ratio and incentive percentage ascertained by the committee shall remain constant throughout the disbursement

period.

- f) Approved Incentive amount shall be disbursed in equal annual installments over the disbursement period mentioned against the category.
- g) Inspecting officer shall verify the employment at the end of every financial year, for the disbursement of the subsidy for the corresponding year.
- h) If the verified employment, in any year during the disbursement period, increases post submission of claim, the incentive percentage corresponding to the new incentive band will not be considered for incentive disbursement.
- i) However, if verified employment falls below 5% from that of employment figure, as declared at the time of submitting the claim, no incentive shall be disbursed for the corresponding year.
- j) Employment means direct employment, including full-time and contractual, on payrolls of the enterprise, falling under the definition of verified employment.
- k) For computation of E/I ratio, Employment shall be in whole number, and Investment (means investment in plant, machinery and equipment) shall be in INR crores. The ratio will be rounded up to nearest one-digit decimal.
- l) For illustration E/I of 0.99 will be rounded to 1, E/I of 1.45 will be rounded to 1.5, E/I of 2.23 will be rounded to 2.2.

7. DECARBONIZATION SUBSIDY

- 7.1. To encourage investment in climate friendly plant, machinery and equipment, GoAP is introducing De-Carbonization subsidy. Through this initiative, the Government intends to incentivize polluting industries to invest in clean and efficient machinery, thereby reduce their carbon footprint.
- 7.2. All eligible Enterprises shall submit the detailed project costing (Annexure- 6A) within six months from the DCP, to the GM, DIC concerned, through Online Incentive Portal.
- 7.3. The incentive is applicable for new/expansion/diversification enterprises.
- 7.4. The quantum of Investment subsidy for different categories is tabulated below.

#	Policy	Incentive	Capping Limit (INR)	Disbursement period
IDP 4.0 – Non-Red category industries				
1	Sub-Large	10% of project cost	6% of eligibleFCI	5 years
2	Large	20% of project cost	6% of eligibleFCI	7years
3	Mega	20% of project cost	6% of eligibleFCI	10years
4	Ultra-Mega	30% of project cost	6% of eligibleFCI	10years
IDP 4.0 – Red category industries				
1	Sub-Large	15% of project cost	6% of eligible FCI	5 years
2	Large	25% of project cost	6% of eligible FCI	7years
3	Mega	25% of project cost	6% of eligible FCI	10years
4	Ultra-Mega	35% of project cost	6% of eligible FCI	10years

- 7.5. The project cost for which de-carbonization subsidy is being claimed shall not exceed 6% of eligible FCI of the approved project cost. The investment shown towards De-carbonization subsidy shall be deducted from Eligible FCI for the purpose of calculation of other capital-based subsidies in the policy.

- 7.6. De-carbonization subsidy can be claimed only once during the policy operating period.
- 7.7. This incentive is applicable for new/expansion/diversification enterprises only to the extent of investment made in eligible projects.
- 7.7.1. The verified incentive shall be disbursed in equal annual installments over standard investment period.

7.7.2. Eligible projects under this subsidy

The projects which are being claimed for de-carbonization should be either pollution/emission reducing, water conserving, waste minimizing, energy conserving in nature.

- a) Waste-water treatment: Constructing effluent treatment plant and sewage treatment plant and using recycled water for industrial purposes especially zero discharge systems.
- b) Green Buildings: Buildings which obtain green rating under the Indian Green Building Council (IGBC/LEED Certification) or Green Rating for Integrated Habitat Assessment (GRIHA) systems.
- c) Use of renewable source of power for captive consumption (solar, wind and biomass plants etc.)
- d) Installing Continuous Emission Monitoring System (CEMS) for red category industries. The information should be disseminated continuously to APPCB.
- e) Adopting rainwater harvesting; restoring water bodies by de-silting defunct waterbodies.
- f) Any other environment management project approved by SIPC/SIPB.

The details of potential improvement in emissions or potential waste/water/energy conserved from the said project, shall be certified by a charted engineer and the same shall be submitted at the time of claim application.

8. REIMBURSEMENT OF STAMP DUTY, TRANSFER DUTY & LAND CONVERSION CHARGES

#	Policy	Incentive(% of cost incurred)	Capping Limit (INR)	Disbursement period
IDP 4.0				
1	Sub-Large	100%	Fees Paid	One time
2	Large	100%	Fees Paid	One time
3	Mega	100%	Fees Paid	One time
4	Ultra-Mega	100%	Fees Paid	One time
MEDP 4.0				
1	Micro	100%	Fees Paid	One time
2	Small	100%	Fees Paid	One time
3	Medium	100%	Fees Paid	One time

FPP 4.0				
1	Micro	100%	Fees Paid	One time
2	Small	100%	Fees Paid	One time
3	Medium	100%	Fees Paid	One time
4	Large	100%	Fees Paid	One time
5	Mega	100%	Fees Paid	One time

- 8.1. All eligible Industrial Enterprises shall submit their claims in the prescribed application (Annexure – 6B) form given for reimbursement of stamp duty, transfer duty, on purchase of land meant for industrial use, Stamp duty for lease of Land/Shed/Building and mortgages and hypothecations within six months from the DCP to the GM, DIC concerned, through Online Incentive Portal.
- 8.2. Stamp Duty and Transfer duty shall be applicable on purchase of land meant for Industrial use.
- 8.3. Stamp duty will be reimbursed only one time on the land/building/shed and subsequent transactions will not be eligible for stamp duty reimbursement even in case of land purchases in open auction conducted by financial institution.
- 8.4. Stamp duty, Transfer duty on mortgages and hypothecations for lease of land/shed/building will be applicable to all eligible New Industrial Enterprises and Expansion/Diversification projects, subject to fulfillment of the conditions stipulated.
- 8.5. The above benefits shall be admissible up to five times of the plinth area of the factory building constructed within the approved project cost. However, in respect of industries where the open land requirements would be larger due to the specific nature of industry, SLC may consider allowing land in excess of five times plinth area on case-to-case basis. In respect of MSMEs, decision of District Industries Promotion Committee (DIEPC) is competent.
- 8.6. Stamp duty on Mortgages and hypothecations paid by an Enterprise for availing term loan from the financial institutions on assessed Fixed Capital Investment only would be eligible. This facility is not applicable on working capital. If the mortgage deed is registered in any state other than Andhra Pradesh in favor of any financial institution, then, this facility will not be extended.
- 8.7. The reimbursement of land conversion charges shall be applicable to all eligible New enterprises and Expansion/Diversification enterprises, subject to fulfillment of all other conditions stipulated.
- 8.8. FPOs/SHGs/Federations/Cooperatives/Societies depending on the size of investment can avail benefits eligible for Micro or Small or Medium or Large and Mega category.

9. POWER COST SUBSIDY

#	Policy	Incentive Reimbursement	Capping Limit (INR)	Disbursement period
IDP 4.0				
1	Sub-Large	INR 1 per unit	15 Lakh per annum	On Bi-annual basis for 2 years

2	Large	Not applicable	Not applicable	Not applicable
3	Mega	Not applicable	Not applicable	Not applicable
4	Ultra-Mega	Not applicable	Not applicable	Not applicable

Slab	Micro		Small		Medium	
	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II
Investment limit	Upto ₹1 Cr	Above ₹1 Cr Upto ₹2.5Cr	Above ₹2.5 Cr Upto ₹10 Cr	Above ₹10 Cr Upto ₹25 Cr	Above ₹25 Cr upto 50 Cr	Above ₹50 Cr Upto ₹125 Cr
Power cost reimbursement (MEDP 4.0 & FPP 4.0)	1Rs per unit for 5 years on Bi-Annual Basis from Date of Commercial Production (annual cap - 1 Lakh)	1Rs per unit for 5 years on Bi-Annual Basis from Date of Commercial Production (annual cap - ₹1.5 Lakhs)	1Rs per unit for 5 years on Bi-Annual Basis from Date of Commercial Production (annual cap - 5 Lakhs)	1Rs per unit for 5 years on Bi-Annual Basis from Date of Commercial Production (annual cap - ₹10 Lakhs)	1Rs per unit for 5 years on Bi-Annual Basis from Date of Commercial Production (annual cap - 15 Lakhs)	1Rs per unit for 2 years on Bi-Annual Basis from Date of Commercial Production (annual cap - 15 Lakhs)

- 9.1. FPOs/SHGs/Federations/Cooperatives/Societies depending on the size of investment can avail benefits eligible for Micro or Small or Medium or Large and Mega category.
- 9.2. All eligible enterprises shall submit their claims in the prescribed application form given in (Annexure – 6C) for reimbursement of power cost within six months after completion of every half-year i.e., by 31st of March for first half-year and 30th of September for second half-year along with the documents mentioned in the application to the GM, DIC on half- yearly basis through Online Incentive Portal.
- 9.3. This reimbursement is only on the energy consumption charges for number of units consumed in KVAH only but not on Contract Maximum Demand (CMD) or any other charges levied by DISCOMs. Residential & colony power consumption and open access power is not eligible for reimbursement of power cost.
- 9.4. The reimbursement of power cost shall be applicable to all eligible New Industrial Enterprises and Expansion/Diversification Projects, subject to fulfillment of all other conditions stipulated.
- 9.5. The power cost reimbursement shall be applicable to the Industrial Enterprises, which are utilizing power from DISCOMs and Rural Electrical Companies (RECs). However, power connection should be in the name of the Enterprise/Industry.
- 9.6. Reimbursement of power cost will be allowed in case of expansion/ diversification projects over and above base power consumed. For the purpose of reimbursement, annual power consumption will be considered. The reimbursement will be made

every six (6) months. But in case actual power consumed during the half year is less than the half year base consumption, then the consumption for that half year of expansion/diversification is treated as nil.

- 9.7. The base half year consumption will be half of highest annual power consumption of previous years of the expansion / diversification project as certified by the Chartered Accountant. If the Enterprise /Industry have taken up expansion / diversification in the same year, the base power consumption will be calculated proportionately. Power consumed over and above the base consumption will only be eligible for reimbursement of power cost.
- 9.8. In case Industry/ Enterprise purchases secondhand land and building along with power either on lease or outright sale, the unit will not be entitled for any power cost reimbursement if the power connection is in the original Industry/Enterprise name. However, if the Industry/Enterprise transfers the power connection in the name of the present enterprise they are entitled for power cost reimbursement provided they install the new plant and machinery.

10. NET SGST REIMBURSEMENT

#	Policy	Incentive(% of net SGST paid)	Capping Limit (INR)	Disbursement period
IDP 4.0				
1	Sub-Large	100%	Annual cap - 5% of annual turnover ,Overall cap - 100% of eligible FCI	On annual basis for 5 years
2	Large	100%	Annual cap - 5% of annual Turnover, Overall cap - 100% of eligible FCI	On annual basis for 5 years
3	Mega	Not applicable	Not applicable	Not applicable
4	Ultra-Mega	Not applicable	Not applicable	Not applicable

Slab	Micro		Small		Medium	
	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II
Investment limit	Upto ₹1 Cr	Above ₹1 Cr Upto ₹2.5Cr	Above ₹2.5 Cr Upto ₹10 Cr	Above ₹10 Cr Upto ₹25 Cr	Above ₹25 Cr upto 50 Cr	Above ₹50 Cr Upto ₹125 Cr
SGST reimbursement (MEDP 4.0 and FPP 4.0)	100% for 5 years (annual cap - 5% of annual turnover)	100% for 5 years (annual cap - 5% of annual turnover)	100% for 5 years (annual cap - 5% of annual turnover)	100% for 5 years (annual cap - 5% of annual turnover)	100% for 5 years (annual cap - 5% of annual turnover)	Nil

- 10.1. FPOs/SHGs/Federations/Cooperatives/Societies depending on the size of investment can avail benefits eligible for Micro or Small or Medium or Large and Mega category.
- 10.2. All eligible Industrial Enterprises shall submit their claims (Annexure – 7) along with a GSTR-3B and GSTR-2A (as amended by the government of India from time to time)

for reimbursement of SGST within six months after completion of the financial year i.e. on or before 30th September as per check slip, to the concerned GM, DIC through online incentive portal.

- 10.3. Net SGST accrued for a period of 5 years from the DCP or up to realization of 100% eligibleFCI, whichever is earlier, shall be reimbursed.
- 10.4. The Expansion/Diversification projects will be allowed for reimbursement on State Goods and Services Tax (SGST) paid on production made over and above the base annual production capacity of the original Enterprise/Industry i.e. before expansion/diversification. The base annual production is either the average annual production of previous three financial years or 75% of installed capacity of the original Industrial Enterprise, whichever is higher in case of manufacturing single product (as certified by Financial Institution/ Chartered Accountant). If the Enterprise/Industry takes up expansion/diversification in the same year, the base capacity will be calculated proportionately. In case of multi products, the highest annual sales turnover of previous three financial years will be taken as base turnover (as certified by Chartered Accountant or Chartered engineer as the case may be).
- 10.5. Net SGST accrued to the State: Net SGST means SGST amount paid through cash ledger (indicated in GSTR-3B)
- 10.6. The Enterprise/Industry shall obtain the GSTR-3B as proof of net SGST accrued to the state. For this purpose, regular monthly returns filed during the financial year will only be considered.
- 10.7. Eligible unit shall have to obtain a separate registration under GST Act for manufacturing of eligible products only. The eligible unit shall not carry out any trading activity or provision of any services not relating to eligible products from its place of business. The eligible unit shall have to obtain a separate registration, if the unit carries out trading activity or provision of any services not relating to eligible products. Incentives shall be allowed only for eligible goods manufactured in the eligible unit and not on the resale of goods.
- 10.8. If the eligible unit has shown its inter-State sales as intra-State sales through intermediary/ marketing network/ or any other middle man, either directly or indirectly controlled by it, in order to get higher incentives, then the incentives shall be liable to be cancelled with effect from the date of such contravention, and the unit shall be liable to return forthwith the incentives availed together with interest at the rate of eighteen percent per annum.
- 10.9. Form – A (as given in Annexure 8) for confirming the details of return by commercial tax department shall be obtained by the entrepreneur through single desk and the same should be uploaded along with the claim application.
- 10.10. A Provision shall be made in online incentive portal to transmit the data submitted through CAF to GST department for verification of facts and documents and to issue online certificate directly in the industries portal wherever applicable. (Reimbursement of net SGST and verifying the credit notes in case of revised GST returns).

11. SKILL UPGRADATION COSTS

#	Policy	Incentive Reimbursement	Capping Limit (INR)	Disbursement period
IDP 4.0				
1	Sub-Large	Nil	Not applicable	Not applicable

2	Large	Nil	Not applicable	Not applicable
3	Mega	Nil	Not applicable	Not applicable
4	Ultra-Mega	Nil	Not applicable	Not applicable

Slab	Micro		Small		Medium	
	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II
Investment limit	Upto ₹1 Cr	Above ₹1 Cr Upto ₹2.5Cr	Above ₹2.5 Cr Upto ₹10 Cr	Above ₹10 Cr Upto ₹25 Cr	Above ₹25 Cr upto 50 Cr	Above ₹50 Cr Upto ₹125 Cr
Skill upgradation cost (MEDP 4.0 and FPP 4.0)	₹5,000 per person for maximum of 10 persons	₹10,000 per person for maximum of 20 persons	₹10,000 Per person for maximum of 20 persons	100% of Employer contribution to EPF (Cap – 1 Lakh per annum)on annual basis for 3 yrs	100% of Employer contribution to EPF (Cap – 1 Lakh per annum) on annual basis for 3 yrs	Nil

- 11.1. All eligible new and expansion/diversification enterprises shall submit their claims in the prescribed application form given (Annexure – 6D) for reimbursement of skill upgradation cost within operating period of the policy, with the documents mentioned in the application to the GM, DIC on through Online Incentive Portal.
- 11.2. The subsidy will be disbursed for the verified employees trained, as approved by DIEPC/SLC.
- 11.3. The eligible Enterprises/Industries have to inform the concerned GM, DIC well in advance of the commencement of training programme. The GM, DIC shall monitor the skill development training programme.
- 11.4. The Enterprise/Industry should submit the list of employees trained along with their appointment letters duly certified by the promoter.
- 11.5. The training should be more practical oriented rather than purely theoretical one.
- 11.6. This facility should be utilized for training the local manpower so that the local manpower will be readily suitable for employment.
- 11.7. The training should be aimed at upgradation of skill, which should be useful to the organization.
- 11.8. FPOs/SHGs/Federations/Cooperatives/Societies depending on the size of investment can avail benefits eligible for Micro or Small or Medium or Large and Mega category.

12. ENERGY & WATER AUDIT COST

#	Policy	Incentive Reimbursement	Capping Limit (INR)	Disbursement period
IDP 4.0				
1	Sub-Large	Nil	Not applicable	Not applicable

2	Large	Nil	Not applicable	Not applicable
3	Mega	Nil	Not applicable	Not applicable
4	Ultra-Mega	Nil	Not applicable	Not applicable

Slab	Micro		Small		Medium	
	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II
Investment limit	Upto ₹1 Cr	Above ₹1 Cr Upto ₹2.5Cr	Above ₹2.5 Cr Upto ₹10 Cr	Above ₹10 Cr Upto ₹25 Cr	Above ₹25 Cr upto50 Cr	Above ₹50 Cr Upto ₹125 Cr
Energy & water audit cost(MEDP 4.0 and FPP 4.0)	75% of cost (Water audit cap 1 Lakh , Energy audit cap 2Lakh) during policy period – One time disbursement	75% of cost (Water audit cap 1Lakh , Energy audit cap 2Lakh) during policy period – One time disbursement	75% of cost (Water audit cap 1Lakh, Energy audit cap 2Lakhs) during policy period – One time disbursement	75% of cost (Water audit cap 1Lakh, Energy audit cap 2Lakhs) during policy period – One time disbursement	75% of cost (Water audit cap 1Lakh, Energy audit cap 2Lakh) during policy period – One time disbursement	Nil

Slab	Micro		Small		Medium	
	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II
Investment limit	Upto ₹1 Cr	Above ₹1 Cr Upto ₹2.5Cr	Above ₹2.5 Cr Upto ₹10 Cr	Above ₹10 Cr Upto ₹25 Cr	Above ₹25 Cr upto50 Cr	Above ₹50 Cr Upto ₹125 Cr
Equipment commissioning as per water audit (MEDP 4.0 and FPP 4.0)	25% of cost of equipment as per auditing, Cap - 20Lakhs	25% of cost of equipment as per auditing, Cap - 40Lakhs	25% of cost of equipment as per auditing, Cap - 40Lakhs	25% of cost of equipment as per auditing, Cap - 50Lakhs	25% of cost of equipment as per auditing, Cap - 50Lakh	Nil
Equipment commissioning as per energy audit (MEDP 4.0 and FPP 4.0)	25% of cost of equipment as per auditing, Cap - 20Lakhs	25% of cost of equipment as per auditing, Cap - 40Lakhs	25% of cost of equipment as per auditing, Cap - 40Lakhs	25% of cost of equipment as per auditing, Cap - 50Lakhs	25% of cost of equipment as per auditing, Cap - 50Lakh	Nil

- 12.1. To claim this incentive, the enterprise submits an audit report prepared and certified government empaneled or ISO/BIS certified agencies or NABL accredited labs, along with the detailed list of equipment prescribed for reducing energy and water utility cost. The enterprise can claim the subsidy upon the submission of audit report. Further, the enterprise shall further procure and install and commissioning the

equipment before claiming the incentive.

- 12.2. All eligible new and expansion/diversification enterprises shall submit their claims in the prescribed application form given (Annexure – 6E/6F) for reimbursement of Energy audit cost and water audit cost within six months after commissioning of the energy or water conserving equipment, as prescribed by the auditor, along with the documents mentioned in the application to the GM, DIC on through Online Incentive Portal.
- 12.3. FPOs/SHGs/Federations/Cooperatives/Societies depending on the size of investment can avail benefits eligible for Micro or Small or Medium or Large and Mega category.

13. LOCAL PROCUREMENT SUBSIDY

- 13.1. To be eligible for the subsidy, the enterprise should generate minimum of 80% of its annual turnover from exports. In addition, minimum of 60% of input requirement to the finished product should be met from material sourced from within the state.
- 13.2. To encourage domestic sourcing of raw material, the state is extending Local procurement subsidy to export oriented enterprises (excluding product exports in HSN 03 and 30) registered in the state.
- 13.3. The quantum of incentive under the policies is as tabulated below

#	Policy	Incentive Reimbursement	Capping Limit (INR)	Disbursement period
IDP 4.0				
1	Sub-Large	1% of annual export turnover	7 Crores	On annual basis for 3 years
2	Large	Not applicable	Not applicable	Not applicable
3	Mega	Not applicable	Not applicable	Not applicable
4	Ultra-Mega	Not applicable	Not applicable	Not applicable

Slab	Micro		Small		Medium	
	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II
Investment limit	Upto ₹1 Cr	Above ₹1 Cr Upto ₹2.5 Cr	Above ₹2.5 Cr Upto ₹10 Cr	Above ₹10 Cr Upto ₹25 Cr	Above ₹25 Cr upto ₹50 Cr	Above ₹50 Cr Upto ₹125 Cr
Local procurement subsidy (MEDP 4.0 and FPP 4.0)	1% annual export turnover - On annual basis for 3 yrs (Max cap - 15 Lakhs)	1% annual export turnover - On annual basis for 3 years 3 yrs (Max cap - ₹1.5 Cr)	1% annual export turnover - On annual basis for 3 yrs (Max cap - ₹1.5 Cr)	1% annual export turnover - On annual basis for 3 yrs (Max cap - 7 Cr)	1% annual export turnover - On annual basis for 3 yrs (Max cap - 7 Cr)	1% annual export turnover - On annual basis for 3 yrs (Max cap - 7 Cr)

- 13.4. FPOs/SHGs/Federations/Cooperatives/Societies depending on the size of

investment can avail benefits eligible for Micro or Small or Medium or Large and Mega category.

- 13.5. Input tax credit statements shall be used to determine local procurement of input material.
- 13.6. The local procurement subsidy can be claimed annually for any three years during the policy operative period.
- 13.7. The incentive is applicable for New/Expansion/Diversification enterprises.
 - 13.8. To claim this subsidy, The enterprise shall submit the claim with supporting documents, invoices, annual profit and loss statement, and total turnover from exports (indicating value of exported products excluding taxes and duties) for the year in which it is claiming this incentive. These financials have to be duly certified a Chartered accountant or a statutory auditor.
- 13.9. All eligible new and expansion/diversification enterprises shall submit their claims in the prescribed application form given (Annexure – 6G) for reimbursement, along with the documents mentioned in the application, to the GM, DIC on through Online Incentive Portal.
- 13.10. Annual Export turnover means, turnover generated from exports during the financial year. The export turnover should be generated from the unit which is doing value addition for the locally procured input material.
- 13.11. For the purposes of disbursement of this incentive, turnover will mean annual gross turnover or gross revenue, or gross sales indicated in the enterprise profit and loss statement.

14. QUALITY CERTIFICATION COST TOP UP

#	Policy	Incentive Reimbursement	Capping Limit (INR)	Disbursement period
IDP 4.0				
1	Sub-Large	Nil	Not applicable	Not applicable
2	Large	Nil	Not applicable	Not applicable
3	Mega	Nil	Not applicable	Not applicable
4	Ultra-Mega	Nil	Not applicable	Not applicable

	Micro		Small		Medium	
Slab	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II
Investment limit	Upto ₹1 Cr	Above ₹1 Cr Upto ₹2.5 Cr	Above ₹2.5 Cr Upto ₹10 Cr	Above ₹10 Cr Upto ₹25 Cr	Above ₹25 Cr upto ₹50 Cr	Above ₹50 Cr upto ₹125 Cr
Quality Certification cost top-up (MEDP 4.0 and FPP 4.0)	Balance of cost for obtaining certification, post accounting for subsidy from Government of India for the same - to cover 100% cost	Balance of cost for obtaining certification, post accounting for subsidy from Government of India for the same - to cover 100% cost	Balance of cost for obtaining certification, post accounting for subsidy from Government of India for the same - to cover 100% cost	Balance of cost for obtaining certification, post accounting for subsidy from Government of India for the same - to cover 100% cost	Balance of cost for obtaining certification, post accounting for subsidy from Government of India for the same - to cover 100% cost	Nil

- 14.1. Eligible Subsidy MEDP 4.0 include ZED, LEAN,
- 14.2. Eligible subsidy under FPP include HACCP, GMP, GLP, ISO 9,000, ISO 22,000, TQM. Units claiming incentives under FPP 4.0, are not eligible to claim incentives under MEDP 4.0.
- 14.3. Additional eligible schemes will be notified in line with new schemes introduced by Government of India. To claim this subsidy, the enterprise will submit the certification provided by Government of India or its agencies along with subsidy details duly certified by a chartered accountant.
- 14.4. All eligible new and expansion/diversification enterprises shall submit their claims in the prescribed application form given (Annexure – 6H) for reimbursement, along with the documents mentioned in the application to the GM, DIC through Online Incentive Portal.
- 14.5. FPOs/SHGs/Federations/Cooperatives/Societies depending on the size of investment can avail benefits eligible for Micro or Small or Medium or Large and Mega category.

Assistance for MSMEs to raise equity from Market

- 14.6. All Medium enterprises will be offered a Business Development Credits (BDCs) to the extent of 2% of their growth in turnover for a 5yr period. The turnover will be as shown in tax records. These BDCs can be availed through a matching contribution of 50% of project cost by the enterprise.
- 14.7. BDCs can be used for prescribed business development activities like hiring consultants, marketing, quality, export promotion, technology acquisition, inventory control, product development, productivity enhancement, patents, ancillary capabilities development, credit rating, Business plan preparation etc., from empaneled service providers.
- 14.8. 25% assistance for listing & raising money in SME Stock exchange with a cap of INR 5L shall be provided to the medium enterprises.
- 14.9. Medium enterprises with a track record of high performance shall be given preference while identification of 500 Champion units.

15. SPECIAL PACKAGE OF INCENTIVES FOR WOMEN/BC/SC/ST/MINORITY/SPECIALLY-ABLED/TRANSGENDER ENTERPRISES

- 15.1. The provisions in the package are applicable to Special category enterprises, which means those MSME units wherein the sole proprietor belongs to BC/SC/ST/Minority/specially abled/Transgender category having domicile in the state of Andhra Pradesh.
- 15.2. The package of incentives is also applicable for women led enterprises, having domicile in the state.
- 15.3. Enterprise under above said categories, are not restricted from applying for incentives applicable for general category MSMEs under MEDP 4.0 or any other sectoral policies but not a combination of two or more policies.

Investment Subsidy

- 15.4. For MSMEs Investment Subsidy shall be applicable to eligible New Enterprises only, subject to fulfilment of all other conditions stipulated.
- 15.5. For Sub Large investments as per IDP 4.0 or Large as per FPP 4.0, investment subsidy shall be applicable for new/expansion/diversification enterprises, subject to fulfilment of all other conditions stipulated.
- 15.6. Quantum of investment subsidy for the above enterprises led by proprietors from above mentioned community are as below.

S.No	Category	Subsidy (as % of eligible FCI)	Max. subsidy (INR)	Disbursement period
IDP 4.0				
1	Sub Large	17%	85 Crores	5 years

		Micro		Small		Medium	
Slab	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II	
Investment limit	Upto ₹1 Cr	Above ₹1 Cr Upto 2.5 Cr	Above ₹2.5 Cr Upto ₹10 Cr	Above ₹10 Cr Upto ₹25 'Cr	Above ₹25 Cr upto ₹50 Cr	Above ₹50 Cr upto ₹125 Cr	
Capital Subsidy (MEDP 4.0 and FPP 4.0)	45% of ELIGIBLE FIXED CAPITAL INVESTMENT (Cap - ₹45 Lakhs)- Disbursement from the date of 1 st invoice in 2 years	45% of ELIGIBLE FIXED CAPITAL INVESTMENT (Cap - ₹1 Cr)- Disbursement from the date of 1 st invoice in 3 yrs	45% of ELIGIBLE FIXED CAPITAL INVESTMENT (Cap - ₹4.5 Cr)- Disbursement from the date of 1 st invoice in 3 yrs	45% of ELIGIBLE FIXED CAPITAL INVESTMENT (Cap - ₹6 Cr)- Disbursement from the date of 1 st invoice in 4 yrs	35% of ELIGIBLE FIXED CAPITAL INVESTMENT (Cap - ₹7 Cr)- Disbursement from the date of 1 st invoice in 4 yrs	35% of ELIGIBLE FIXED CAPITAL INVESTMENT (Cap - ₹10Cr)- Disbursement from the date of 1 st invoice in 5 yrs	

S.No	Category	Subsidy (as % of eligible FCI)	Max. subsidy (INR)	Disbursement period
FPP 4.0 – Primary Processing				
1	FPOs/SHGs/Federations/ Co-operatives/Societies	35%	7 Crores	2 years
FPP 4.0 – Secondary/Tertiary Processing				
1	FPOs/SHGs/Federations/ Co-operatives/Societies	45%	8 Crores	2 years

Slab	Micro		Small		Medium	
	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II
Investment limit	Upto ₹1 Cr	Above ₹1 Cr Upto ₹2.5 Cr	Above ₹2.5 Cr Upto ₹10 Cr	Above ₹10 Cr Upto ₹25 Cr	Above ₹25 Cr Upto ₹50 Cr	Above ₹50 Cr Upto ₹125 Cr
Capital Subsidy (Transport Services) - Only for SC/ST (MEDP 4.0)	45% of ELIGIBLE FIXED CAPITAL INVESTMENT (Cap- ₹45 Lakhs) – Disbursement from the date of 1 st invoice in 2 yrs	45% of ELIGIBLE FIXED CAPITAL INVESTMENT (Cap- ₹75 Lakhs) – Disbursement from the date of 1 st invoice in 2 yrs	45% of ELIGIBLE FIXED CAPITAL INVESTMENT (Cap- ₹75 Lakhs) – Disbursement from the date of 1 st invoice in 2 yrs	35% of ELIGIBLE FIXED CAPITAL INVESTMENT (Cap- ₹75 Lakhs) – Disbursement from the date of 1 st invoice in 2 yrs	35% of ELIGIBLE FIXED CAPITAL INVESTMENT (Cap- ₹75 Lakhs) – Disbursement from the date of 1 st invoice in 2 yrs	Nil

Technology Upgradation Subsidy

- 15.7. For MSMEs Investment Subsidy shall be applicable to eligible Expansion/ Diversification Enterprises only, subject to fulfilment of all other conditions stipulated.
- 15.8. Technology upgradation subsidy is not applicable for above medium category enterprises.
- 15.9. Quantum of technology upgradation subsidy for the above enterprises led by proprietors from above mentioned community are as below.

Slab	Micro		Small		Medium	
	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II
Investment limit	Upto ₹1 Cr	Above ₹1 Cr Upto ₹2.5 Cr	Above ₹2.5 Cr Upto ₹10 Cr	Above ₹10 Cr Upto ₹25 Cr	Above ₹25 Cr Upto ₹50 Cr	Above ₹50 Cr Upto ₹125 Cr

Tech up-gradation/expansion cost (MEDP 4.0 and FPP 4.0)	40% of ELIGIBLE FIXED CAPITAL INVESTMENT T (Cap - ₹ 40 Lakhs) – Disbursement from the date of 1 st invoice in 2 yrs	40% of ELIGIBLE FIXED CAPITAL INVESTMENT (Cap - ₹ 1 Cr) – Disbursement from the date of 1 st invoice in 3 yrs	40% of ELIGIBLE FIXED CAPITAL INVESTMENT (Cap - ₹ 4 Cr) – Disbursement from the date of 1 st invoice in 3 yrs	40% of ELIGIBLE FIXED CAPITAL INVESTMENT (Cap - ₹ 4 Cr) – Disbursement from the date of 1 st invoice in 5 yrs	30% of ELIGIBLE FIXED CAPITAL INVESTMENT T (Cap - ₹ 5 Cr) – Disbursement from the date of 1 st invoice in 5 yrs	30% of ELIGIBLE FIXED CAPITAL INVESTMENT T (Cap - ₹ 8 Cr) – Disbursement from the date of 1 st invoice in 5 yrs
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S.No	Category	Subsidy (as % of eligible FCI)	Max. subsidy (INR)	Disbursement period
FPP 4.0				
1	FPOs/SHGs/Federations/Co-operatives/Societies	45 %	5 Crores	2 years

Rebate on Land cost

15.10. 75% rebate in land cost limited to INR 25 lakhs for only SC/ST category led Micro and Small Enterprises, setup in Industrial Estates/Industrial Parks. Applicable only for new units.

15.11. Incentive can be availed only once on the land.

Reimbursement of Power Cost

15.12. For special category led Micro and Small Enterprises under MEDP 4.0, are eligible for fixed power cost reimbursement @ 1.5 per unit for 5 years from the date of commercial production.

		Micro		Small		Medium	
Slab	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II	
Investment limit	Upto ₹1 Cr	Above ₹1 Cr Upto ₹2.5 Cr	Above ₹2.5 Cr Upto ₹10 Cr	Above ₹10 Cr Upto ₹25 Cr	Above ₹25 Cr Upto ₹50 Cr	Above ₹50 Cr Upto ₹125 Cr	
Power cost reimbursement (MEDP 4.0 and FPP 4.0)	1.5Rs per unit for 5 years from Date of commercial production (annual cap - 1 Lakh)	1.5Rs per unit for 5 years from DCP (annual cap - 1.5 Lakhs)	₹1.5Rs per unit for 5 years from DCP (annual cap - 5 Lakhs)	₹1.5Rs per unit for 5 years from DCP (annual cap - ₹10 Lakhs)	1Rs per unit for 5 years from DCP (annual cap - 15 Lakhs)	1Rs per unit for 2 years from DCP (annual cap - 15 Lakhs)	

S.No	Category	Subsidy (as % of eligible FCI)	Max. subsidy (INR)	Disbursement period
FPP 4.0				
1	FPOs/SHGs/Federations/Coo-operatives/Societies	INR 1.5 per unit	15 Lakh per annum	5 years

15.13. The power cost subsidy shall also be applicable to service activities listed in Annexure- 2 and 3A.

15.14. The subsidy shall be applicable to all eligible New/Expansion/Diversification Enterprises, subject to fulfilment of all other conditions stipulated.

Reimbursement of net SGST

15.15. Reimbursement shall be as follows

		Micro		Small		Medium	
Slab	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II	
Investment limit	Upto ₹1 Cr	Above ₹1 Cr Upto ₹2.5 Cr	Above ₹2.5 Cr Upto ₹10 Cr	Above ₹10 Cr Upto ₹25 Cr	Above ₹25 Cr Upto ₹50 Cr	Above ₹50 Cr Upto ₹125 Cr	
SGST reimbursement (MEDP 4.0 and FPP 4.0)	100% for 5 years (annual cap - 5% turnover)	100% for 5 years (annual cap - 5% turnover)	100% for 5 years (annual cap - 5% turnover)	100% for 5 years (annual cap - 5% turnover)	100% for 5 years (annual cap - 5% turnover)	Nil	

- 15.16. Net SGST reimbursement subsidy shall be applicable for only eligible Manufacturing activities.
- 15.17. The subsidy shall be applicable to all eligible New/Expansion/Diversification Enterprises, subject to fulfilment of all other conditions stipulated.

Reimbursement of Stamp duty and Transfer duty

- 15.18. 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
- 15.19. 100% reimbursement of Stamp duty for Lease of Land/Shed/ Buildings and also mortgages and hypothecations.
- 15.20. Stamp duty will be reimbursed only one time on the land. Stamp duty will not be reimbursed on subsequent transactions on the same land.

Skill Upgradation cost Subsidy

Slab	Micro		Small		Medium	
	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II
Investment limit	Upto ₹1 Cr	Above ₹1 Cr Upto ₹2.5 Cr	Above ₹2.5 Cr Upto ₹10 Cr	Above ₹10 Cr Upto ₹25 Cr	Above ₹25 Cr Upto ₹50 Cr	Above ₹50 Cr Upto ₹125 Cr
Skill up-gradation cost (MEDP 4.0 and FPP 4.0)	₹5,000 per person for maximum of 10 persons	₹10,000 Per person for maximum of 20 persons	₹10,000 Per person for maximum of 20 persons	100% of Employer contribution to EPF (Cap - 1 Lakh per annum) for 3 yrs	100% of Employer contribution to EPF (Cap - 1 Lakh per annum) for 3 yrs	Nil

Energy,water audit & Equipment commissioning cost Subsidy

Slab	Micro		Small		Medium	
	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II
Investment limit	Upto ₹1 Cr	Above ₹1 Cr Upto ₹2.5 Cr	Above ₹2.5 Cr Upto ₹10 Cr	Above ₹10 Cr Upto ₹25 Cr	Above ₹25 Cr Upto ₹50 Cr	Above ₹50 Cr Upto ₹125 Cr

Energy, water audit & Equipment commissioning cost per water and energy audit (MEDP 4.0 and FPP 4.0)	75% of cost (Water audit cap 1 Lakh , Energy audit cap 2 Lakh) during policy Period. 25% of cost of equipment as per auditing, Cap - ₹20Lakhs	75 % of cost (Water audit cap 1Lakh , Energy audit cap 2Lakh) during policy Period.	75 % of cast (Water audit cap 1Lakh , Energy audit cap 2Lakhs) during policy period.	75% of cost (Water audit cap 1 Lakh , Energy audit cap 2Lakhs) during policy period .	75% of cost of equipment as per auditing, Cap - ₹40Lakhs	75% of cost (Water audit cap 1 Lakh, Energy audit cap 2Lakh) during policy period. 25% of cost of Equipment as per auditing, Cap - ₹50Lakhs	Nil
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Local procurement subsidy

Slab	Micro		Small		Medium	
	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II
Investment limit	Upto ₹1 Cr	Above ₹1 Cr Upto ₹2.5 Cr	Above ₹2.5Cr Upto ₹10 Cr	Above ₹10Cr Upto ₹25 Cr	Above ₹25 Cr Upto ₹50 Cr	Above ₹50 Cr Upto ₹125 Cr
Local procurement subsidy (MEDP 4.0 and FPP 4.0)	1% annual turnover for 3 yrs (Max cap— ₹15 Lakhs)	1% annual turnover for 3 yrs (Max cap- ₹1.5 Cr)	1% annual turnover for 3 yrs (Max cap— ₹ 1.5 Cr)	1% annual turnover for 3 yrs (Max cap - ₹7 Cr)	1% annual turnover for 3 yrs(Max cap—₹7 Cr)	1% annual turnover for 3 yrs(Max cap-₹7 Cr)

Quality Certification cost Subsidy

Slab	Micro		Small		Medium	
	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II
Investment limit	Upto ₹1 Cr	Above ₹1 Cr Upto ₹2.5 Cr	Above ₹2.5Cr Upto ₹10 Cr	Above ₹10Cr Upto ₹25 Cr	Above ₹25 Cr Upto ₹50 Cr	Above ₹50 Cr Upto ₹125 Cr
Quality Certification cost top-up (MEDP 4.0 and FPP 4.0)	Balance of cost for obtaining certification, post accounting for subsidy from Government of India for the same - to cover 100% cost	Balance of cost for obtaining certification, post accounting for subsidy from Government of India for the same - to cover 100% cost	Balance of cost for obtaining certification, post accounting for subsidy from Government of India for the same - to cover 100% cost	Balance of cost for obtaining certification, post accounting for subsidy from Government of India for the same - to cover 100% cost	Balance of cost for obtaining certification, post accounting for subsidy from Government of India for the same - to cover 100% cost	Balance of cost for obtaining certification, post accounting for subsidy from Government of India for the same - to cover 100% cost

SECTION C – FORMS & ANNEXURES

ANNEXURE - 1 - LIST OF INELIGIBLE INDUSTRIES

Sl. No.	ACTIVITY
1	Khandasari Sugar and Sugar Mills and Jaggery making.
2	Distilleries, Rectified Spirit (Alcohol) from Molasses, Breweries, Beer and other Alcoholic Drinks, except Bioethanol meant for blending with petrol
3	All animal rearing/farming like poultry, piggery etc.,
4	All types of Hatcheries except mechanized hatcheries
5	Alcohol based Industries except Pharmaceuticals, APIs, Intermediates, Drug and other products having utility for medical purposes
6	Varnishes and Thinners, Painting works and spray-painting units
7	Cotton ginning except Modern ginning as per the norms of Technology Mission on Cotton, Ministry of Textiles, Government of India
8	Chloral Hydrate.
9	Lime Kiln/Burnt Lime/Hydrated Lime, except enterprises adopting Rotary kiln system.
10	Book binding/NoteBooks/Exercise NoteBooks/Registers/Ledgers/File Pads/Office Files etc. Rubber stamp making, and envelopes with investment of less than Rs. 50 Lakhs in plant and machinery
11	Tobacco barons/tobacco re-drying/processing, Beedi /Cigarette manufacturing and other tobacco-based products, Units for culling raw tobacco and sprinkling jaggery for chewing purposes and Gutkha manufacturing units.
12	All types of Saw-mills, sawing of timber, except wooden furniture and wood based products making units with investment on plant & machinery more than Rs.20 lakhs.
13	Road Metal/ Stone Crushing/Coal Pulverizingexcept Robo sand or Manufactured Sand with investment on plant & machinery more than INR 1 Cr
14	Soap making enterprises not operated by power driven machinery
15	Shampoos and other Cosmetic items except those having National / International certificationsand with investment on plant & machinery more than Rs.50 lakhs
16	Cinematography/ Videography / Video Parlours /Theatres/ Photo studios.
17	All industries of mobile nature like rigs, concrete mixing plants, road metal mixing, readymade concrete mixing etc., including site-oriented industries.
18	Tailoring other than readymade Garmentswith investment on plant & machinery more than Rs.10 lakhs
19	Mining and Quarrying
20	All types of Generation, Transmission and Distribution of Electricity

Sl. No.	ACTIVITY
21	X-ray clinics and clinical/pathological laboratories and scanning, MRI Tests
22	Servicing and /or repairing enterprises activities except Cold storage and Seed processing enterprises
23	Calcium carbide and Silicon carbide manufacturing.
24	Ferro Alloys Manufacturing except with captive power plant
25	Steel Rerolling mills, rolling of rods including Tor steel angles, channels, Flats etc. except the enterprises set-up in Industrial Estates/Areas/Parks.
26	Steel Structural and fabrication works other than "Heavy Structural Fabrications" having following minimum plant, machinery and equipment installed. a) Gantry 5/10 tons capacity with chain pulley block or EOT/HOT crane 5/10 tons capacity. b) Arc welding Transformer with welding Generators or Rectifiers. c) Gas welding and cutting equipment. d) Electrical tools namely; Grinder, Rivettor or Drilling Machinery or Pneumatic tools with air compressor. e) Pillar type drilling machine 1" / 1.1/2" capacity. f) Pug cutting equipment for cutting heavy sections viz. Angles, Plates and Channels. g) Drafting machine and drawing office equipment (optional). h) Any other latest equipment to perform heavy structural fabrication in lieu of any of the above equipment.
27	Steel gates/grills, G.I.Buckets, Gamelas, Boiling Pans, Trunks, Spades, Mamotees, Shovels and Bins and Bright bars, except mechanized enterprises with investment on Plant and Machinery Rs.25 Lakhs and more.
28	Hotels and Motels (Tourism Policy shall be followed by Dept. of YAT&C)
29	Composite Enterprises setup for manufacture of an eligible items along with in-eligible items except when the proportion of in-eligible items in the total production is less than 10% in value of the total turnover
30	Manufacturing of Plastic carry bags, Single use plastic and other items restricted or banned as per norms of GOI/ State Government authorities from time to time
31	Firecrackers manufacturing enterprises
32	Tyre Pyrolysis, Tyre re-treading units
33	Manure mixing, physical mixing of fertilizers except the units with mechanised process with investment on Plant and Machinery more than Rs. 25 Lakhs.
34	Steel Ingots/Billets, Except Green field Integrated Steel Plants, which produces Steel Ingots, Billets, Coils, Strips, Slabs or Alloy Steels through Blast Furnace/Induction Furnace route starting with iron ore and using the liquid metal produced from the Blast Furnace to make Ingots, Billets, Coils, Strips, Slabs or other Steel Alloys without using Electric Arc Furnace. However, these Greenfield IntegratedSteel Plants shall not be eligible for reimbursement of power cost.

Sl. No.	ACTIVITY
35	Any other industry notified by the State Government for inclusion in this list from time to time.

List of In-eligible Enterprises in Food Processing under FPP-4.0

S.No	Line of Activity
1.	Khandasari Sugar and Sugar Mills and Jaggery making.
2.	Carbonated drinks except fruit based where in, the pulp portion is 5% in case of lime/lemon and 10% in case of other fruits
3.	Distilleries, Rectified Spirit (Alcohol) from Molasses, Breweries, Beer and other Alcoholic Drinks, except Bioethanol meant for blending with petrol
4.	Packaged drinking water
5.	Breweries and Distilleries of all types excluding non-alcoholic fruit-based winery
6.	Standalone Ice factory
7.	Standalone Rice and pulses/ dal mills
8.	Pan Masala, Gutka and Tobacco barons/tobacco re-drying/processing, Beedi /Cigarette manufacturing and other tobacco-based products
9.	Any other activities as notified by GoAP from time to time
The following items of plant and machinery will not be considered for fiscal incentive (The list is only indicative and not exhaustive)	
1.	Fuel, consumables, spares and stores.
2.	Computers and allied office furniture.
3.	Second hand/ old/self fabricated machines.
4.	All types of service charges, carriage and freight charges.
5.	Closed Circuit TV Camera and security system related equipment.
6.	Consultancy Fee, Taxes, Freights, etc.
7.	Stationery items.
8.	Plant & machinery not directly related to processing, cold chain or storage infrastructure.
9.	Fire-fighting equipment, fly catchers, hand washer, laundry etc. not directly related to production process

ANNEXURE- 2 - LIST OF ENTERPRISES RELATED TO SERVICE INDUSTRY

S.No	Activity
1	Industrial/Material testing laboratories/Technical testing and analysis, Hall Marking Centres with a minimum employment of 10
2	Printing Presses, Offset printing press, Flexi/Vinyl Printing, Flexo printing, 3D printing, color film laboratories, video mixing with min. 25 lakh investment on equipment.
3	Industry related R&D, incubation Centers for thrust sectors mentioned in the policy with minimum employment of 50
4	Common Skill Development centres set up in designated industrial park/designated clusters to create industry linkage and industrial linkage trainings
5	Machine operated Seed grading services with a minimum employment of 10
6	Machinery Training Centres with necessary machinery and equipment (other than educational institutions) with a minimum employment of 10
7	Power Laundries with a minimum employment of 10
8	Ready-made Garments units with investment more than Rs. 10.00 lakhs on Plant & Machinery with a minimum employment of 10
9	Cotton/Jute/Iron Scrap/Plastic/Paper/Hay etc. Baling presses with a minimum employment of 10
10	Auto servicing and/or repairing units with investment more than Rs.20.00 lakhs on Plant & Machinery, engineering machining workshops, Common effluent treatment plans with a minimum employment of 10
11	Packaging activity with investment more than Rs. 10.00 lakhs on equipment with a minimum employment of 10
12	General Engineering and Fabrication works with a minimum employment of 10
13	Machine operated Book binding Enterprises and Notebooks with investment more than Rs. 10.00 lakhs on Plant & Machinery with a minimum employment of 10
14	Any other Service Enterprises notified by the State Level Committee for inclusion in this list from time to time

- 1) The investment subsidy for these activities is only on the value of Plant & Machinery/Equipment.
- 2) For above mentioned service activities, one employment must be generated for every 3 lakh investment in FCI.
- 3) The above service activities set up anywhere in the State are eligible for investment subsidy and power cost subsidyonly and all other service activities are not eligible for any other incentives.
- 4) Service Sector projects set up by the entrepreneurs will be limited to 50% of the Budget Provision in order to encourage the remaining 50% for the manufacturing sector.

ANNEXURE- 3A - LIST OF ENTERPRISES APPLICABLE ONLY FOR THE SCHEDULED CASTES & SCHEDULED TRIBE ENTREPRENEURS

S.No	Activity	Criteria for eligible FCI computation
1	The manufacture, preservation or processing of goods;	Investment involved in the land, building and equipment
2	Mining or development of mines;	Cost of equipment only used in the mining process
3	The hotel industry;	Investment involved in the land, hotel building, equipment, furniture & Kitchen ware for running the hotel
4	The transport of passengers or goods by road or by water or by air or by ropeway or by lift;	<ul style="list-style-type: none"> a) Vehicles registered with RTA as motorcabs are eligible. Tractors with trailers shall be an ineligible activity. b) Personal use vehicles are not eligible for claiming the subsidy. Only commercial use vehicles are eligible. c) Cars of on-road price of more than Rs. 35 lakhs are not eligible. d) Buses of on-road price of more than Rs. 70 lakhs are not eligible. e) RTA should not convert transport vehicles / cabs to personal use vehicles without permission from GM, DIC within the period of six (6) years f) The invoice cost and life tax / Road tax (paid to Transport Department which are non-recurring) will only be considered for computation of fixed capital investment. g) Insurance and extra fittings not eligible for computation of eligible FCI h) Should submit an affidavit of not availed incentives on the vehicles /concessions/discounts for vehicle
5	The generation or distribution of electricity or any other form of power;	Investment involved in the power generation plant
6	The maintenance, repair, testing or servicing of machinery of any description or vehicles or vessels or motor boats or trailers or tractors;	Investment involved in the land, building and tools / equipment
7	Assembling, repairing or packing any article with the aid of machinery or power;	Investment involved in the land, building & machinery/equipment
8	Fishing or providing shore facilities for fishing or maintenance thereof;	Investment involved in land, building and equipment
9	Providing weight bridge facilities;	Investment involved in land, building and equipment
10	Providing engineering, technical,	Investment involved in the land, building and

S.No	Activity	Criteria for eligible FCI computation
	financial, management, marketing or other services or facilities for industry;	Tools /Equipment
11	Providing medical, health or other allied services;	Investment involved in the land, building and Hospital Equipment
12	Providing software or hardware services relating to information technology, telecommunications or electronics including satellite linkage and audio or visual cable communication;	Investment involved in the land, building and equipment
13	Setting up or development of tourism related facilities including amusement parks, convention centres, restaurants, travel and transport (including those at airports), tourist service agencies and guidance and counselling services to the tourists;	Investment involved in the land, building and equipment
14	Construction;	Investment involved in proclaimers registered with transport department are only eligible (Chain mounted proclaimers are not eligible)
15	Development, maintenance and construction of roads;	Investment involved in the equipment used for laying the Road i.e. Road rollers, Pavers etc.
16	Providing commercial complex facilities and community centres including conference halls;	Investment involved in the land, building. The other essential facilities required for complexes are also eligible. The facility created should be in the name of the entrepreneur or enterprise for a minimum period of six years.
17	Floriculture;	Investment involved in the land, building and equipment
18	Tissue culture, fish culture, poultry farming, breeding and hatcheries;	Investment involved in the land, building and equipment
19	Service industry, such as altering, ornamenting, polishing, finishing, oiling, washing, cleaning or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal;	Investment involved in the land, building and equipment
20	Research and development of any concept, technology, design, process or product, whether in relation to any of the matters aforesaid, including any activities approved by the Small Industries Development Bank of India (SIDBI); or	Investment involved in the land, building and equipment
21	Such other activity as may be approved by SIDBI	Investment involved in the land, building and equipment

1. Annexure 10 shall be provided at the time of raising the claim, for items listed at 4, 14, 15 in the table above.

Explanation 1:- The expression 'processing of goods' includes any art or process for producing, preparing or making an article by subjecting any material to a manual, mechanical, chemical, electrical or any other like operation.

Explanation 2:- If any doubt arises as to whether a concern is industrial concern or not, the same shall be referred to the Small Industries Development Bank of India (SIDBI) for its decision and the decision of the SIDBI, thereon shall be final.

The Small Industries Development Bank of India means the Small Industries Development Bank of India established under section (l) of section 3 of SIDBI Act, 1989 (39 of 1989).

ANNEXURE- 3B - LIST OF ADDITIONAL ACTIVITIES ELIGIBLE FOR DE-CARBONIZATION SUBSIDY

S.No.	Activity
1.	Common effluent treatment plant (Servicing at least 5 enterprises)
2.	Common Sewage/Waste-water treatment plant (Servicing at least 10 enterprises)
3.	Water treatment/Desalination plant (Servicing at least 10 enterprises)
4.	Solid waste treatment (Servicing at least 10 enterprises)
5.	Hazardous waste treatment/ incineration (Servicing at least 5 enterprises)
6.	Any other waste treatment service Enterprises notified by the State Level Committee for inclusion in this list from time to time.

ANNEXURE-3C - LIST OF ACTIVITIES QUALIFY AS CATEGORY II (VALUE ADDED PRODUCTS) FOR EARLY BIRD OFFER

First 4 digits of 8-digit HSN code	Sector & Sub-sector
Critical KSM/Drug Intermediaries & APIs	
3002	human blood; animal blood prepared for therapeutic or prophylactic uses
3004	medicaments (including veterinary medicaments) consigned to retail distributors
Medical Devices	
9018	instruments and appliances used in medical, surgical, dental, or veterinary sciences
Specialty Steel	
7301-7308	pipes, tubes, and hollow profiles
7309-7312	tubes and pipes (e.g., seamless, welded)
Telecom & Networking Products	
8708	parts and accessories for motor vehicles (e.g., telecom equipment for vehicles)
Electronic/Technology Products	
9027	instruments for measuring electrical quantities
Battery	
2905	acyclic hydrocarbons (for battery electrolytes)
3811	anti-knock preparations, oxidation inhibitors, etc. (for battery additives)
4011	new pneumatic tires (for battery-powered vehicles)
8507	secondary cells and secondary batteries
Drones and Drone Components	
8525	transmission apparatus for radio-telephony, telegraphy, or television (drone communication systems)
8802	other aircraft (drones)

The list of eligible HSN codes can be enhanced either through specific provisions in sectoral policies or as approved by SIPC/SIPB.

ANNEXURE- 3D - LIST OF ACTIVITIES QUALIFY AS PRIMARY/SECONDARY/TERTIARY UNDER FPP 4.0

A. Food Processing Categories based on Processes and Activities

Category	Primary Processes/Activities	Secondary Processes/Activities	Tertiary Processes/Activities
Fruits & Vegetables	Harvesting, Sorting, Washing, Peeling, Cutting, Slicing, Grating, Shredding, Seed Removal	Blanching, Juicing, Pureeing, Drying (dehydration), Freeze-drying, Concentrating, Cooking, Flavoring, Preserving, Pickling, Packaging	Canning, Bottling, Fermentation, Freezing (IQF), Mixing (for sauces, chutneys), Cooking (soups, sauces), Pasteurization, Packaging (retort pouches, jars, cans), Blending for Smoothies, Sauces
Grains & Seeds (incl. Millets)	Harvesting, Sorting, Cleaning, Sieving, De-husking, Grading, Milling	Grinding, Popping/Puffing, Flaking, Malting, Mixing for Batters, Blending, Fermenting (for bread and beer), Roasting, Enzymatic Processing	Baking, Extrusion (for noodles, pasta), Blending, Frying, Shaping (biscuits, crackers), Cooking (instant noodles, ready-to-eat mixes), Enriching with nutrients, Packaging (snacks, cereals)
Oilseeds, Nuts, and Coconut	Harvesting, De-shelling, Sorting, Cleaning, Grading, Sun-drying, Peeling, Crushing	Cold-pressing, Expeller Pressing, Oil Refining, Powdering, Roasting, Grinding (for paste), Desiccating, Dehydration, Mixing with flavors	Blending (spreads, butters), Candyng, Beverage Formulation (coconut water, vegan milk), Emulsifying (for creams), Drying, Flavoring (masala powders), Fermentation, Packaging for snacks, oils, nut-based products
Spices (incl. Chilli, Turmeric, Ginger, Tamarind)	Harvesting, Drying, Grinding, Cleaning, Stemming	Grinding, Powdering, Paste Making, Extraction of Essential Oils, Pulverizing, Mixing, Blending,	Blending (spice mixes), Emulsifying (dressings, sauces), Pickling, Concentrating (sauces), Bottling,

Category	Primary Processes/Activities	Secondary Processes/Activities	Tertiary Processes/Activities
		Dehydrating, Roasting	Pasteurizing, Marinating, Mixing for Seasoning Packs, Packaging for ready-to-use seasonings, flavor blends, and oleoresin extraction
Milk	Collection, Chilling, Filtration	Pasteurization, Homogenization, Skimming, Creaming, Condensing, Evaporating, Powdering (milk powder production), Acidifying (for buttermilk)	Churning (butter), Fermentation (yogurt, cheese), Concentration (condensed milk), Freezing (ice cream), Curdling (paneer), Fortification, Packaging (for dairy drinks, ice cream, cheese), Smoking (some cheese types)
Eggs, Meat & Poultry	Slaughtering (meat), Chilling, Washing, Cleaning, Grading, Shelling (eggs)	Freezing, Cutting, Grinding (for minced products), Marinating, Smoking, Cooking (pre-cooked products), Frying, Curing (sausages, meats), Breaded Coating (nuggets), Canning	Pickling, Powdering (egg powder), Cooking (RTC products), Retorting, Vacuum Packaging, Pasteurizing, Mixing with preservatives (for RTE meals), Encasing (sausages), Smoking (meat products), Packaging for shelf-stable meat products
Aquaculture Products	Sorting, Cleaning, Descaling, De-skining, De-boning, Peeling	Freezing, Drying, Smoking, Marinating, Flavoring, Coating (battered or breaded), Mince Preparation, Canning, Blanching	Pickling, Canning, Skewering, Cooking (RTC/RTE products), Vacuum Packaging, Mixing for seafood salads, Blending (seafood dips and spreads), Sashimi preparation, Sushi assembly, IQF (Individually Quick Frozen)
Animal Feed	Harvesting, Cleaning,	Mixing (feed)	Aseptic Processing

Category	Primary Processes/Activities	Secondary Processes/Activities	Tertiary Processes/Activities
	Shelling, Milling, Sorting, Grinding	formulations), Crumbling, Pelletizing, Mash Formulation, Fermentation, Nutrient Fortification, Drying, Baling (for forages), Extrusion	(wet foods), Freezing (RTE feeds), Fortification with vitamins/minerals, Flavoring, Shaping (kibble, snacks), Packaging (canned pet food, bags), Moisture Control (for dry feeds)
Pulses	Harvesting, Cleaning, De-husking, Grading, Splitting	Grinding (for flours), Puffing, Roasting, Blanching, Sprouting, Fermentation (idli, dosa batters), Soaking/Boiling	Blending (for instant mixes), Canning, Roasting (snacks), Frying, Seasoning, Powdering (for protein powders), Mixing with sweeteners and flavors, Shaping (bars, chips), Enriching (protein bars), Packaging for RTE products
Cocoa	Harvesting, Fermentation, Drying, Roasting, Cracking (to produce nibs)	Grinding, Pressing (for cocoa butter), Liquefying (for cocoa liquor), Blending (with milk/sugar for chocolate), Powdering	Molding (chocolates), Tempering, Conching, Enrobing (coating nuts/fruits), Blending for syrups and beverages, Baking (cakes, pastries), Packaging (bars, spreads), Mixing for lotions/cosmetics
Coffee	Harvesting, Sorting, Fermentation (wet processing), Drying, Roasting	Grinding (various grinds), Blending, Extracting (for instant coffee), Concentrating (for cold brew), Decaffeination	Brewing, Bottling (RTD coffee beverages), Flavoring, Mixing (coffee syrups), Freezing (for ice cream), Packaging (capsules, pods, bags), Concentration for coffee syrups
Minor Forest	Harvesting, Cleaning, Extracting (herbal)		Blending (herbal teas,

Category	Primary Processes/Activities	Secondary Processes/Activities	Tertiary Processes/Activities
Produce	Drying, Grading, Sorting	extracts, essential oils), Powdering (herbs), Filtration (honey), Crushing, Pulping (wild fruits), Distillation (essential oils)	health supplements), Formulating (skincare products), Mixing with preservatives, Packaging (bottles, sachets), Concentrating (for syrups), Encapsulation (dietary supplements), Incorporating in functional foods and beverages

B. Food processing categories - Based on the Products

Category	Primary Products	Secondary Products	Tertiary Products
Fruits & Vegetables	Whole, Peeled, Cuts & Slices, Trimmed Fruits/Vegetables, Grated, Shredded, De-pitted, Seeded	P脉ps, Flakes, Purees, Concentrates, Diced/Cubed, Powders, Paste, Dried (e.g., raisins, apricots), Candies, Jellies, Pickled Vegetables, Preserved Products	Ketchups, Jams, Soups, Pickles, IQF products, Vegetable Blends, Chutneys, Canned Soups, Dressings, Fermented Vegetables, Fruit Bars, Snack Packs, Salad Dressings, Cocktail Mixes, Smoothies, RTC, RTE products.
Grains & Seeds (including Millets)	Whole, Split, Graded & Sieved Grains, Broken Grains, De-husked, De-germed	Flours (wheat, maize, rice, chickpea), Puffed Grains, Flakes (cornflakes, rice flakes), Malting, Fermented Grains, Batters, Premixes (for baking), De-oiled Cakes,	Biscuits, Noodles, Pasta, Cakes, Extruded Snacks, Namkeen, Breakfast Cereals, Sweets (e.g., ladoos, halwa), RTE & RTC Meals, Instant Noodles, Roti & Dosa Mixes, Snack Bars, Tortillas, Crackers, Dumplings, Protein Extracts
Oilseeds, Nuts, and	De-shelled, Graded	Edible Oils (Refined)	Chutneys, Pickles,

Coconut	Seeds/Nuts, Dried Oilseeds/Nuts, Peeled, Halved, Shredded (for coconut), Sprouted Seeds	& Cold-pressed), Oil Cakes (for animal feed), Dehydrated Coconut, Desiccated Coconut, Nut Powders, Nut Butters (e.g., peanut butter), Paste (e.g., almond paste)	Nut Candies, Coconut Milk, Vegan Milks, Coconut Water, Coconut Flour, Coconut Cream, Masala Powders, Nut-based Snacks, Energy Bars, Nut Cheese, Flavored Nut Butters, Coconut Yoghurt, Protein Powders, Nut-based Desserts
Spices (incl. Chilli, Turmeric, Ginger, Tamarind)	Dried Whole Spices (Pepper, Cinnamon Sticks), Ground Spices, Dehydrated Spice Flakes, Dried Herbs, Stemmed	Spice Powders (e.g., chilli powder, turmeric powder), Spice Pastes, Flakes (garlic, onion), Pulps (e.g., tamarind), Essential Oils, Dried Herb Mixes, Infusions (e.g., ginger tea, turmeric latte)	Sauces (e.g., hot sauces), Pickles, Spice Extracts (Oleoresins), Spice Blends (Garam Masala, Curry Powder), Chutneys, Salad Dressings, Marinades, Spice Rubs, Spice Paste Sachets, Dips (e.g., salsa), Flavored Oils, Seasoning Mixes for Snacks
Milk	Raw Milk, Chilled Milk, Filtered Milk, Milk Solids (for milk-based products), Fresh Cream	Pasteurized Milk, Homogenized Milk, Processed Milk (UHT), Cream (whipping, heavy), Skimmed Milk Powder, Whole Milk Powder, Evaporated Milk, Condensed Milk, Buttermilk	Butter, Ghee, Cottage Cheese (Paneer), Yoghurt (various flavors), Milk Powder (infant, skimmed, whole), Processed Cheese, Flavored Milk, Ice Cream, Dairy-based Desserts (e.g., kheer, rabri), Cheese (Mozzarella, Cheddar), Probiotic Drinks, Dairy Beverages
Eggs, Meat & Poultry	Shell Eggs, Liquid Eggs, Whole Carcasses, Cuts (e.g., wings, legs, breast), Chilled & Frozen Meat	Cut, Fried, Frozen Meat, Minced Products, Sausages, Cured & Smoked Meats, Marinated Products, Pre-cooked Meat Patties,	Pickling, Egg Powders, Canned Meat, RTC Meat & Poultry (e.g., kebabs, grilled chicken), RTE Meals (e.g., chicken biryani, meat curries),

		Breaded Products (e.g., nuggets), Dehydrated Meat (e.g., jerky), Canned Meat, Processed Egg Products (liquid)	Shelf-stable Meat Snacks, Smoked Meat Products, Canned Fish, Egg-based RTE Foods (e.g., egg bites), Meat Sausages
Aquaculture Products	Whole Fish, Filleted, De-skinned, De-boned, Peeled Shrimp, Shellfish, Chilled, Frozen	IQF, Fried, Chilled, Mincing, Flavoring, Dried, Salted, Smoked, Cured, Processed Fish & Shellfish Products, Fish Powder, Fish Oil, Dried Fish, Roe & Surimi	Pickling, Canning, Battered, Marinated, Skewered Fish, RTE Meals (e.g., fish curry, shrimp biryani), Fish Jerky, Seafood Salads, Sashimi-Grade Fish, Sushi, Dips & Spreads (e.g., crab dip), Frozen RTE Fish Dishes (e.g., breaded fillets)
Animal Feed	Raw Grains (maize, barley, wheat), Forages, Husks, Shelling By-products, Pulses	Pellets, Mash, Crumbles, Forages (dried & preserved), RTE Flakes, Nutrient-enhanced Feed, Processed Animal Feed, Feed Concentrates, Forage Silage, Fermented Feeds	Aseptic Wet Food, Frozen RTE Animal Feed, Pet Food (dry kibble, wet canned), Specialty Feed (high-protein, hypoallergenic), Feed Supplements, Grain-based Snack Treats, Enriched Forage Products, Dog Chews, Fish Feed (pellets, flakes)
Pulses	Whole Pulses (e.g., chickpeas, lentils, black gram, green gram), Split Pulses (dal), De-husked, Cleaned, Graded	Flours (e.g., chickpea flour/besan), Puffed Pulses (e.g., chana, dal), Roasted Pulses, Paste (e.g., hummus), Soaked/Boiled, Fermented Pulses (e.g., idli batter), Protein Extracts, Sprouted Pulses	Snacks (e.g., roasted chana, dal mix), Instant Dal/RTE Dal Mixes, Canned Pulses, RTE Pulses-based Snacks, Lentil-based Chips & Crackers, Dal Fry Mixes, Pulse-based Protein Bars, Pulse-based Dairy Alternatives (e.g., chickpea milk), Pulse-based Soups
Cocoa	Raw Cocoa Beans, Fermented & Dried	Cocoa Butter, Cocoa Powder, Cocoa	Chocolate (bars, chips, spreads),

	Beans, Roasted Beans, Cocoa Nibs	Mass, Cocoa Liquor, Cocoa Paste	Cocoa-based Confectioneries, Hot Cocoa Mixes, Chocolate Syrup, Cocoa Butter Products (e.g., lotions, cosmetics), Chocolate-flavored Beverages, Chocolate Chips, Cocoa Extracts, Chocolate-coated Nuts, Cakes & Pastries
Coffee	Green Coffee Beans, Parchment Coffee, Roasted Beans	Coffee Powder (various grinds), Instant Coffee, Cold Brew Concentrate, Coffee Extracts, Decaffeinated Coffee	Ready-to-Drink Coffee Beverages, Coffee Syrups & Concentrates, Coffee-flavored Ice Cream & Desserts, Coffee Capsules & Pods, Coffee-flavored Confectioneries (e.g., chocolates, cakes), Canned & Bottled Coffee, Coffee Creamers, Coffee-based Cocktails
Minor Forest Produce	Raw Honey, Bamboo Shoots, Neem Seeds, Tamarind Pods, Amla, Wild Berries, Medicinal Herbs (e.g., ashwagandha, shatavari), Resins (e.g., gum arabic)	Dried Herbs & Powders, Herbal Extracts, Essential Oils (e.g., eucalyptus oil), Wild Fruit Pulp, Raw Edible Oils (e.g., mahua oil), Honey Filtration, Tamarind Paste	Herbal Teas, Ayurvedic & Herbal Formulations, Organic Skincare Products, Dietary Supplements, Pickled Bamboo Shoots, Amla Juice & Supplements, Processed Resins, Honey-based Products (e.g., honey candy), Tamarind Sauce, Health Drinks, Resins for Cosmetics

ANNEXURE– 4- MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES NOTIFICATION

a) Becoming a micro, small or medium enterprise-

i)MICRO INDUSTRIES / ENTERPRISES

Micro enterprise, where the investment in plant and machinery or equipment does not exceed 2.50 crore rupees and turnover does not exceed 10 crore rupees.

ii)SMALL INDUSTRIES / ENTERPRISES

Small Industry/Enterprise means an Industry/enterprise in which investment and turnover are as defined by the Government of India from time to time. Small enterprise, where the investment in plant and machinery or equipment does not exceed 25 crore rupees and turnover does not exceed 100 crore rupees.

iii)MEDIUM INDUSTRIES / ENTERPRISES

Medium Industry/Enterprise means an Industry/enterprise in which investment and turnover are as defined by the Government of India from time to time. Medium enterprise, where the investment in plant and machinery or equipment does not exceed 125 crore rupees and turnover does not exceed 500 crore rupees.

iv)Any person who intends to establish a micro,small or medium enterprise may file Udyam Registration online in the Udyam Registration portal, based on self-declaration with no requirement to upload documents, papers, certificates or proof.

v) On registration, an enterprise (referred to as -Udyam in the Udyam Registration portal) will be assigned a permanent identity number to be known as - Udyam Registration Number.

vi)An E-certificate, namely, Udyam Registration Certificate shall be issued on completion of the registration process.

b) Composite criteria of investment and turnover for classification-

- i. A composite criterion of investment and turnover shall apply for classification of an enterprise as micro, small or medium.
- ii. If an enterprise crosses the ceiling limits specified for its present category in either of the two criteria of investment or turnover, it will cease to exist in that category and be placed in the next higher category but no enterprise shall be placed in the lower category unless it goes below the ceiling limits specified for its present category in both the criteria of investment as well as turnover.
- iii. All units with Goods and Services Tax Identification Number (GSTIN) listed against the same Permanent Account Number (PAN) shall be collectively treated as one enterprise and the turnover and investment figures for all of such entities shall be seen together and only the aggregate values will be considered for deciding the category as micro, small or medium enterprise.

c) Calculation of investment in plant and machinery or equipment-

- i. The calculation of investment in plant and machinery or equipment will be linked to the Income Tax Return(ITR) of the previous years filed under the Income Tax Act, 1961.In case of a new enterprise, where no prior ITR is available, the investment will be based on self-declaration of the promoter of the enterprise and such relaxation shall end after the 31st March of the financial year in which it files its first ITR.
- ii. The expression -plant and machinery or equipment of the enterprise, shall have the same meaning as assigned to the plant and machinery in the Income Tax Rules,1962framed under the Income Tax Act,1961 and shall include all tangible assets (other than land and building, furniture and fittings).
- iii. The purchase (invoice) value of a plant and machinery or equipment, whether purchased firsthand or second hand, shall be taken into account excluding Goods and Services Tax (GST), on self-disclosure basis, if the enterprise is a new one without any ITR.
- iv. The cost of certain items specified in the Explanation I to sub-section(1) of section 7oftheAct shall be excluded from the calculation of the amount of investment in plant and machinery.

d) Calculation of turnover-

- i. Exports of goods or services or both, shall be excluded while calculating the turnover of any enterprise whether micro, small or medium, for the purposes of classification.
- ii. Information as regards turnover and exports turnover for an enterprise shall be linked to the Income Tax Act or the Central Goods and Services Act (CGST Act) and the GSTIN.
- iii. The turn over related figures of such enterprise which do not have PAN will be considered on self- declaration basis for a period up to 31st March, 2021 and thereafter, PAN and GSTIN shall be mandatory.
- iv. Registration process-
 - a. The form for registration shall be as provided in the Udyam Registration portal.
 - b. There will be no fee for filing Udyam Registration.
 - c. Aadhaar number shall be required for Udyam Registration.
- v. The Aadhaar number shall be of the proprietor in the case of a proprietorship firm, of the managing partner in the case of a partnership firm and of a karta in the case of a Hindu Undivided Family (HUF).
- vi. In case of a Company or a Limited Liability Partnership or a Cooperative Society or a Society or a Trust, the organization or its authorized signatory shall provide its GSTIN and PAN along with its Aadhaar number.
- vii. In case an enterprise is duly registered as an Udyam with PAN, any deficiency of information for previous years when it did not have PAN shall be filled up on self-declaration basis.

- viii. No enterprise shall file more than one Udyam Registration: Provided that any number of activities including manufacturing or service, or both may be specified or added in one Udyam Registration.
- ix. Whoever intentionally misrepresents or attempts to suppress the self-declared facts and figures appearing in the Udyam Registration or updation process shall be liable to such penalty as specified under section 27 of the Act.

e) Registration of existing enterprises-

- i. All existing enterprises registered under EM-Part-II or UAM shall register again on the Udyam Registration portal on or after the 1st day of July,2020.
- ii. All enterprises registered till 30thJune,2020, shall be re-classified inaccordance with this notification.
- iii. The existing enterprises registered prior to 30th June,2020, shall continue to be valid only for a period up to the 31st day of March,2021.
- iv. An enterprise registered with any other organization under the Ministry of Micro, Small and Medium Enterprises shall register itself under Udyam Registration.

f) Updation of information and transition period in classification.-

- i. An enterprise having Udyam Registration Number shall update its information online in the Udyam Registration portal, including the details of the ITR and the GST Return for the previous financial year and such Other additional information as may be required, on self-declaration basis.
- ii. Failure to update the relevant information within the period specified in the online Udyam Registration portal will render the enterprise liable for suspension of its status.
- iii. Based on the information furnished or gathered from Government's sources including ITR or GST return, the classification of the enterprise will be updated.
- iv. In case of graduation (from a lower to a higher category) or reverse graduation (sliding down to lower category) of an enterprise, a communication will be sent to the enterprise about the change in the status