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SUBSIDY SCHEMES FOR FOOD PROCESSING, COLD CHAIN, MSME, TOURISM & OTHER INDUSTRIES

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SUBSIDY ON FRESH/EXPANSION OF COLD STORAGE

- ❖ If proposed capacity is **upto 5000 MT. (54400 Qtls.)**, subsidy to be applied in State Horticulture Mission. (SHM)
 - ✓ No prior approval required, only online registration to be done.
 - ✓ Subsidy 35% (Amount Rs. 140.00 Lacs for 5000 MT.)
- ❖ If proposed capacity is **more than 5000 MT.** and in case of Expansion. If existing plus proposed capacity is **more than 5000 MT.** then application to be submitted in National Horticulture Board for Grant of Clearance (GOC) after sanction of bank loan.
 - ✓ Term Loan can be disbursed only after issue of GOC by NHB.
 - ✓ Work can be started at site only after issue of GOC.
 - ✓ Generally two months time taken by NHB for issue of GOC.
 - ✓ 35% Capital Subsidy for Maximum Capacity of 10000 MT (NHB)
 - ✓ All term Loan for Fresh/Expansion of cold storage are entitled to avail 3% Central & 3% State Interest Subvention under AIF.

AGRICULTURE INFRASTRUCTURE FUND

All term loan disbursed after 8th July 2020 are entitled to avail 3 % Interest subvention under the scheme.

Projects Covered under AIF Scheme-

- Warehouse & Silos
- Cold stores and Cold Chain
- Sorting and grading units
- Logistic Facilities – Reefer Van & Insulated vehicles
- Primary processing activities – Wheat / Oil Seed Pulses / Spices / Fruits & vegetable processing
- Various other projects.
- All loans under this financing facility will have interest subvention of 3% per annum to a limit of Rs. 2.00 crore.

- This subvention will be available for a maximum period of 7 years.
- In case of loans beyond Rs. 2.00 crore, then interest subvention will be limited up to 2.00 crore.
- Additional 3% Interest subvention also available (up to Rs. 50.00 Lacs) from U.P. State Government on Term Loan disbursed after 1st January 2022.
- Huge Government Funds available in the scheme.
- No Interest Subvention of Accounts become NPA and again entitled if account is upgraded by bank.
- Units availing Loans under CGTMSE Scheme-fees will be reimbursed under the scheme.

U.P. FOOD PROCESSING POLICY 2023

If you wish to set up Food Processing Unit in Uttar Pradesh than following incentives will be available: -

- ❖ 35% up to **5 crores** capital subsidy for food processing enterprises.
- ❖ 35% up to **1 crores** subsidy for up gradation, expansion & modernization of existing units.
- ❖ Complete exemption from stamp duty.
- ❖ 35% subsidy for cold chain & value infrastructure 50% subsidy for basic infrastructure; maximum up to **10 crores**.
- ❖ Exemption from Mandi Fee & cess for direct sale by farmers to processing industry.
- ❖ 50% subsidy for solarization up to 75 KVA for rural projects outside industrial areas.
- ❖ 90% solar subsidy for women entrepreneurs.
- ❖ Refer Van 100% Interest Subsidy upto 5 years(Max Rs. 50.00 Lacs)
- ❖ 35% up to 5 crore subsidy for creating backward/forward linkages.
- ❖ Land use conversion charges only notional fees of Rs. 10,000 to be charged,
- ❖ Relaxation in External Development Charges.
- ❖ All new Food Processing units with Plant & Machinery of Rs.5.00 Crore and above will be provided exemption from mandi fee for five years on the purchase of raw materials as per Mandi Act.
- ❖ For Export, 25 % Subsidy on Transportation charges upto destination harbour.

AGRICULTURE MARKETING INFRASTRUCTURE

Construction of Rural godown at Room temperature

CAPITAL SUBSIDY

- ❖ Women/SC/ST/Entrepreneur - 33% (Max 50 Lacs)
 - ❖ Other Categories- 25% (max 37.50 Lacs)
- 5000 MT Rural Godown can be constructed in one district
Interest Subvention is also available on bank Term Loan under AIF scheme.
Investment in Plant & Machinery also covered in the scheme for primary processing.

SUBSIDY ON SOLAR in Cold Storage/Other Industries

- ❖ 35% OF Cost of Solar Plant (Maximum Rs. 12.25 Lacs) subsidy available for setting up solar plant in Cold Storage.
- ❖ 50% OF Cost of Solar plant subsidy available for Solarization in Food Processing upto 75 KVA for rural projects outside Industrial Area. In Case of Women Entrepreneurs subsidy will be 90%
- ❖ 40% OF Cost of Solar plant (Maximum Rs. 20.00 Lacs) subsidy available for solar plant in MSME.
- ❖ Interest Subvention is also available on term loan for solar plants installed in Cold Storage.

U.P. MSME POLICY 2022

If you wish to set up any Manufacturing/Other Unit in Uttar Pradesh then following incentives will be available:

CAPITAL SUBSIDY ON ELIGIBLE PROJECTS

UNIT NAME	MICRO	SMALL	MEDIUM
BUNDELKHAND & PURVANCHAL	25%	20%	15%
MADHYANCHAL & PASCHIMANCHAL	20%	15%	10%

- ❖ Building cost will be considered only 10% of total Eligible project cost.
- ❖ No subsidy on cost of land.
- ❖ Energy Saving (Solar) will be eligible for 40% (maximum Rs.20.00 Lacs) Capital Subsidy.
- ❖ 2% additional investment incentive assistance will be provided to SC, ST and women entrepreneurs.
- ❖ For new micro industry, 50 percent of the annual interest payable on the loan (maximum Rs 25 lakh) per unit will be given for five years.
- ❖ Stamp duty exemption available on purchase of land.
- ❖ The maximum limit of Capital Subsidy will be **Rs 4 crore** per unit.
- ❖ UP. Government will bear the one-time guarantee fee charged by banks on collateral free loans.
- ❖ Expansion also eligible but condition is that gross block to be increased by minimum 25% and capacity to be increased by 25%.
- ❖ Tobacco, Gutka, Pan Masala, Aerated Beverages, Carbonated Products, Fire Crackers, Plastic Carry Bags (Less than 40 microns) etc projects are not entitled to avail benefits of the scheme.
- ❖ As Per Para 11.7 of Policy 40 % of Old Plant & Machinery imported will be considered as eligible capital investment.

DAIRY DEVELOPMENT POLICY 2022

If you wish to set up Milk processing unit in Uttar Pradesh than following Incentives will be available: -

- ❖ Capital Subsidy of 10% of the cost of plant machinery, technical civil works and spare parts up to **Rs 5.00 crore** shall be provided for the establishment of milk processing and milk products manufacturing units or expansion.
- ❖ For establishing new milk processing units and dairy manufacturing units (plant machinery, technical civil works, spare parts etc.) the interest subsidy of 5 percent or actual loan whichever is lower for 5 years for maximum of **10 Crores**.
- ❖ For establishment of cattle feed units and cattle nutritional feed units establishment the interest subsidy of 5 percent or actual loan whichever is lower for maximum **7.5 crore**.
- ❖ For establishing the cold value chain like refrigerator van, bulk milk cooler, etc. the interest subsidy of 5 percent or actual loan whichever is lower for 5 years for maximum of **1 Crore**.
- ❖ Interest Subsidy for expansion/ Technology Up gradation of Unit 5% or Actual whichever is lower for 5 years maximum of 2.5 Crore.
- ❖ Electricity duty Exemption is for 10 years.
- ❖ Stamp Duty Reimbursement.

U.P. TOURISM POLICY 2022

- ❖ **Capital Investment Subsidy available for Tourism Unit (Budget Hotel/Theme Park/Hotel/Resort etc.)**

Eligible Capital Investment (ECI)	Subsidy Percentage	Ceiling Subsidy
10 Lacs — upto 10 Crore	25%	2.00 Crore
Upgp 50 Crore	20%	7.50 Crore
Upgp 200 Crore	15%	20.00 Crore
Upgp 500 Crore	10%	25.00 Crore

Project Should be in various circuits identified by the government.

- ❖ Additional 5% Subsidy for un served destinations in Tier 2 or lower cities, women entrepreneurs and SC / ST / Backward classes, focus tourism destinations (as notified by the department).
- ❖ Sum of all incentives capped at 30%.
- ❖ Land purchased included in Eligible Capital Investment subject to maximum of 10 % of ECI.
- ❖ PPP projects can also avail incentives.
- **Interest Subsidy-** 5% for a period of 5 years on a bank loan upto Rs. 5.00 Crores.
- ❖ Unit can apply for either capital or interest subsidy.
- ❖ **Stamp duty exemption @ 100%** (1st transaction)
- ❖ **Land Conversion and development charges @ 100%**.

- ❖ **Employment Generation subsidy** : 100% reimbursement of EPF expenditure for a period of 5 years.
- ❖ Tourism unit under-construction registered in Tourism Policy 2018 can avail above benefits.

Pradhan Mantri Formalization of Micro Food Processing Enterprises Scheme (PM FME) Scheme

- ❖ Food processing units would be provided credit-linked capital subsidy @35% of the eligible project cost with a maximum ceiling of **Rs.10.00 lakh per unit**.
- ❖ Beneficiary contribution should be minimum of **10% of the project cost** with balance being loan from Bank
- ❖ Scheme available for new micro food processing unit , expansion & upgradation of food processing units.
- ❖ Scheme provides support to Micro Enterprises/Farmer Producer Companies/Producer Cooperatives.
- ❖ Technical & Civil Work should not be more than 30% of the eligible project cost.
- ❖ Investment in Machinery should be less than 1 crore and Turnover should be less than 5 crores.
- ❖ Huge Funds in the scheme for Uttar Pradesh.

Ministry of Food Processing Industries (Government of India)

Operation Greens- Long Term Interventions

- ❖ Project Set Up for Agri Logistic, Processing Facilities of Tomato, Onion and Potato Value Chain,
- ❖ Subsidy of 35% of Eligible Project Cost for projects in General Areas and 50% of eligible project cost in Difficult areas as well as for projects of SC/ST, FPO's, & SHGs.
- ❖ Integrated Value Chain Development Projects Maximum grants-in-aid would be ₹15 crore per project (i.e. Cold Storage, Frozen Storage, Integrated Pack House, IQF, Blast Freezer, Quality Test).
- ❖ Standalone Post-Harvest Infrastructure Projects Maximum grants-in-aid would be ₹10 crore per project (i.e. Cold Storage, Frozen Storage, Integrated Pack House, IQF, Blast Freezer, Quality Test).
- ❖ Time Limit for completion for 24 months from date of issue of approval letter in General Areas and 30 months in Difficult areas

UP WAREHOUSING & LOGISTIC POLICY 2022

TYPE OF PROJECT	MINIMUM INVESTMENT	MINIMUM SIZE
Warehousing Facility	20 Crores	1 Lakh sq. ft.
Silos	30 Crores	4 acres
Cold Chain Facility	15 Crores	20,000 sq. ft.

- ❖ Capital Subsidy @15% upto **5 Crores** for projects in Uttar Pradesh & upto **10 Crores** in Dedicated Logistic Zones.
- ❖ Stamp Duty Exemption also available.
- ❖ Exemption from Land use conversion charges & Development Charges
- ❖ Electricity Duty Exemption also available.
- ❖ Concessions on land use conversion for all eligible projects @ 75%
- ❖ Exemption of Development charge for all eligible projects @75 %

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