



Defence, Aerospace, and Space Technology Sector

Incentives on Investment (Illustrative)

Investment in P&M		INR 240 Crores	
Investment in civil work and land		INR 60 Crores	
Total Fixed Capital Investment		INR 300 Crores	
Direct employment		600	
Area		10 acres	
Total Incentives by State Government		INR 227.19 crore	
Subsidy as percentage of FCI		~76%	
S.No.	Breakdown of Incentives	Amt. (Rs. Crore)	Description
1	Fixed capital investment subsidy	136.50	45.5% of FCI, max Rs. 195 crores, disbursed in 6 equal yearly instalments (including employment booster of 1.3)
2	Interest subsidy	60.00	50% of actual interest paid or 6% interest rate, whichever is lower, up to Rs. 20 crores per year for 5 years (on term loan for plant and machinery)
2	Electricity duty exemption	4.03*	100% exemption for 12 years
3	Land related subsidies	0.09	100% Stamp duty and 50% diversion fee exemption, 50% land registration fee reimbursement
4	EPF reimbursement	6.48	75% subsidy for 5 years, up to Rs. 1 Crore p.a.
	Employment assistance	8.64	20% of wages for 5 years for employees earning less than Rs. 50,000, applicable up to 7 years.
6	Training subsidy	0.90	One time subsidy - 1 month wage or Rs. 15,000 per employee, max limit 100% of FCI
7	R&D Subsidy	3.00	20% on plant & machinery and equipment, max Rs. 3 crores (considered maximum)
8	Other subsidies	7.55	Subsidy for new electricity connection fee, project report, quality certification, technology purchase, technical patent, water and energy audit fee and export certification, transport subsidy for exports
	Total	227.19	

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

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