

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department - Amendment to Andhra Pradesh Food Processing Policy 4.0 (2024-29) - Adoption of new classification of Micro, Small and Medium Enterprises as per Gazette Notification, Government of India on 21st March 2025- Orders - Issued.

INDUSTRIES & COMMERCE (PROGRAMME – III) DEPARTMENT

G.O.Ms.No.104

Dated:26-06-2025

Read the following:

1. G.O.Ms. No.71, Ind. & Com. (Programme-III) Deptt., Dt:26-10-2024
2. G.O.Ms. No.23, Ind. & Com. (Programme-III) Deptt., Dt:26-10-2024
3. Gazette Notification, Dt:21.03.2025 of Government of India.

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ORDER:

In the reference 1st read above, emphasizing on the importance of value addition in food processing, export promotion, and market diversification, encouraging inclusive growth, benefiting large corporations, small farmers and rural entrepreneurs, Government has released AP Food Processing Policy 4.0 (2024-29), announcing competitive and attractive package of incentives to Food Processing industries.

2. In the reference 2nd read above, Government have amended A.P Food Processing Policy 4.0 (2024-29).
3. In the reference 3rd read above, Government of India have made certain amendments regarding classification of MSMEs in the notification of Government of India, Ministry of Micro, Small and Medium Enterprises number S.O. 2119 (E), dated the 26th June, 2020, published in the Gazette of India, Extraordinary, Part-II, Section 3, sub-section (ii), dated the 26th June, 2020.
4. Government after careful examination, hereby issue the following amendments to Andhra Pradesh Food Processing Policy 4.0 (2024-29) issued vide G.O.Ms.No.71, I&C (Prog-III) Department, Dt:26-10-2024 read with G.O.Ms. No.23, Ind. & Com (Prog-III) Department, Dt:17-02-2025 duly adopting the new classification of MSMEs as per Gazette Notification of Government of India on 21.03.2025.

Effective from 01.04.2025 Paragraph 8.1 pertaining to the eligibility criteria for availing incentives and consequently, for MSME, large and Mega Projects under Andhra Pradesh Food Processing Policy (4.0), 2024-29 is here by modified. Accordingly, the investment bands for MSMEs in the manufacturing sector will be revised as follows:

Food Processing Industry, for the investments w.e.f 1.4.2025, in the Andhra Pradesh Food Processing Policy (4.0) 2024-29, as given below:

Category as per existing and new Classification

Category as per existing classification		Changed Category as per new classification	
Category	Investment limits	Investment	Category
Micro	Upto ₹1 Cr	Upto ₹ 2.5 Cr	Micro
Small	Above ₹1 Cr to ₹ 2.5 Cr		
Small	Above ₹2.5 Cr to ₹10 Cr	Above ₹2.5 Cr to ₹ 25 Cr	Small
Medium	Above ₹10 Cr to ₹25 Cr		
Medium	Above ₹25 Cr to ₹50 Cr	Above ₹25 Cr to ₹125 Cr	Medium
Large as per FFP 2024-29	Above ₹50 Cr to ₹100 Cr		
Mega as per FPP 2024-29	Above ₹100 Cr to ₹125 Cr		
Mega as per FPP 2024-29	Above ₹125 Cr to ₹200 Cr	Above ₹125 Cr to ₹200 Cr	Large
Mega as per FPP 2024-29	Above ₹200 Cr	Above ₹200 Cr	Mega

All MSME category units in Food Processing will fall under one of the existing MSME classifications, except for units with investments above ₹50 crore.

According to the new classification, units with investments between ₹25 crore to ₹125 crore will be categorized as medium, units with investment between ₹125 crore to ₹200 crore will be categorized as Large and units with investment above ₹200 crore will be categorized as Mega.

Whereas the Food Processing Policy (FPP) 2024-29 classifies units with investments above ₹50 crore to ₹100 crore as large category units and above ₹100 crore as mega category units.

In content of Para 8.1, sub Paragraphs 8.1.1 (Capital Subsidy- for New Entrepreneurs), 8.1.2 (Technology Up gradation/modernization), 8.1.3(Waste processing) 8.1.4 (Setting up modern abattoirs/Meat Processing/Animal feed units) 8.1.5 (Food Testing Laboratories) 8.1.6 (Power Tariff reimbursement) 8.1.7 (Net SGST reimbursement) 8.1.8 (Energy and Water Audit) 8.1.9 (Skill Up gradation) 8.1.10 (Local Procurement subsidy) 8.1.11(Quality certification); the following is incorporated.

Component	Micro		Small		Medium		Large
Slab	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II	
Investment limit	Upto ₹1 Cr	Above ₹1 Cr to ₹2.5 Cr	Above ₹2.5 Cr to ₹10 Cr	Above ₹10 Cr to ₹25 Cr	Above ₹25 Cr to ₹50 Cr	Above ₹50 Cr to ₹125 Cr	Above ₹125 Cr to ₹200 Cr
Capital Subsidy 1. Primary	25% FCI on 1 st invoice in 2 yrs (Cap - ₹25 Lakh)	25% FCI on 1 st invoice in 3 yrs (Cap - ₹50 Lakh)	25% FCI on 1 st invoice in 3 yrs (Cap - ₹1.5 Cr)	25% FCI on 1 st invoice in 4 yrs (Cap - ₹5 Cr)	25% FCI on 1 st invoice in 4 yrs (Cap - ₹7 Cr)	15% FCI on 1 st invoice in 5 yrs (Cap - ₹15 Cr)	15% FCI on 1 st invoice in 5 yrs (Cap - ₹25 Cr)
Capital Subsidy 2. Secondary & Tertiary	35% FCI on 1 st invoice in 2 yrs (Cap - ₹35 Lakhs)	35% FCI on 1 st invoice in 3 yrs (Cap - ₹80 Lakhs)	35% FCI on 1 st invoice in 3 yrs (Cap - ₹3.5 Cr)	35% FCI on 1 st invoice in 4 yrs (Cap - ₹6 Cr)	35% FCI on 1 st invoice in 4 yrs (Cap - ₹8 Cr)	15% FCI on 5 yrs (Cap - ₹15 Cr)	15% FCI on 5 yrs (Cap - ₹25 Cr)
Technology upgradation	20% of FCI on 1 st invoice in 2 yrs (Cap - ₹20)	20% of FCI on 1 st invoice in 3 yrs (Cap - ₹40 Lakhs)	20% of FCI on 1 st invoice in 3 yrs (Cap - ₹1 Cr)	20% of FCI on 1 st invoice in 5 yrs (Cap - ₹4 Cr)	20% of FCI on 1 st invoice in 5 yrs (Cap - ₹5 Cr)	10% of FCI on 5 yrs (Cap - ₹10 Cr)	10% of FCI on 5 yrs (Cap - ₹20 Cr)

Component	Micro		Small		Medium		Large
Slab	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II	
Investment limit	Upto ₹1 Cr	Above ₹1 Cr to ₹2.5 Cr	Above ₹2.5 Cr to ₹10 Cr	Above ₹10 Cr to ₹25 Cr	Above ₹25 Cr to ₹50 Cr	Above ₹50 Cr to ₹125 Cr	Above ₹125 Cr to ₹200 Cr
Skill upgradation cost	₹5,000 per person for max. of 10 persons	₹10,000 per person for max. of 20 persons	₹10,000 per person for max. 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	Nil
Energy & Water audit cost	75% of cost (Water audit cap ₹1Lakh Energy audit cap ₹2Lakhs) during policy period	75% of cost (Water audit cap ₹1Lakh Energy audit cap ₹2Lakhs) during policy period	75% of cost (Water audit cap ₹1Lakh Energy audit cap ₹2Lakhs) during policy period	75% of cost (Water audit cap ₹1Lakh Energy audit cap ₹2Lakhs) during policy period	75% of cost (Water audit cap ₹1Lakh Energy audit cap ₹2Lakhs) during policy period	Nil	Nil
	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 - ₹50Lakhs	Nil	Nil
Local procurement subsidy*	1% of annual turnover for 3 yrs, with overall cap of ₹ 15 Lakh	1% of annual turnover for 3 yrs, with overall cap of ₹1.5 Cr	1% of annual turnover for 3 yrs, with overall cap of ₹1.5 Cr	1% of annual turnover for 3 yrs, with overall cap of ₹ 7 Cr	1% of annual turnover for 3 yrs, with overall cap of ₹ 7 Cr	Nil	Nil

Component	Micro		Small		Medium		Large
Slab	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II	
Investment limit	Upto ₹1 Cr	Above ₹1 Cr to ₹2.5 Cr	Above ₹2.5 Cr to ₹10 Cr	Above ₹10 Cr to ₹25 Cr	Above ₹25 Cr to ₹50 Cr	Above ₹50 Cr to ₹125 Cr	Above ₹125 Cr to ₹200 Cr
Quality Certification cost top-up	Balance of Govt subsidy to cover 100% cost	Balance of Govt subsidy to cover 100% cost	Balance of Govt subsidy to cover 100% cost	Balance of Govt subsidy to cover 100% cost	Balance of Govt subsidy to cover 100% cost	Nil	Nil

Revised applicable Incentives for special category enterprises as per "Andhra Pradesh Food Processing Policy (4.0) 2024-29.

Amendment proposed to A.P. Food Processing Policy 4.0							
Component	Micro		Small		Medium		Large
Slab	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II	
Investment limit	Upto ₹1 Cr	Above ₹1 Cr to ₹2.5 Cr	Above ₹2.5 Cr to ₹10 Cr	Above ₹10 Cr to ₹25 Cr	Above ₹25 Cr to ₹50 Cr	Above ₹50 Cr to ₹125 Cr	Above ₹125 Cr to ₹200 Cr
Capital Subsidy 1. Primary	35% FCI on 1 st invoice in 2 yrs (Cap - ₹35 Lakh)	35% FCI on 1 st invoice in 3 yrs (Cap - ₹80 Lakh)	35% FCI on 1 st invoice in 3 yrs (Cap - ₹3.5 Cr)	35% FCI on 1 st invoice in 4 yrs (Cap - ₹6 Cr)	35% FCI on 1 st invoice in 4 yrs (Cap - ₹7 Cr)	25% FCI on 1 st invoice in 5 yrs (Cap - ₹15 Cr)	25% FCI on 1 st invoice in 5 yrs (Cap - ₹25 Cr)
Capital Subsidy 2. Secondary & Tertiary	45% FCI on 1 st invoice in 2 yrs (Cap - ₹45 Lakhs)	45% FCI on 1 st invoice in 3 yrs (Cap - ₹1 Cr)	45% FCI on 1 st invoice in 3 yrs (Cap - ₹4.5 Cr)	45% FCI on 1 st invoice in 4 yrs (Cap - ₹7 Cr)	45% FCI on 1 st invoice in 4 yrs (Cap - ₹8 Cr)	25% FCI on 1 st invoice in 5 yrs (Cap - ₹15 Cr)	25% FCI on 1 st invoice in 5 yrs (Cap - ₹25 Cr)

Amendment proposed to A.P. Food Processing Policy 4.0							
Component	Micro		Small		Medium		Large
Slab	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II	
Investment limit	Upto ₹1 Cr	Above ₹1 Cr to ₹2.5 Cr	Above ₹2.5 Cr to ₹10 Cr	Above ₹10 Cr to ₹25 Cr	Above ₹25 Cr to ₹50 Cr	Above ₹50 Cr to ₹125 Cr	Above ₹125 Cr to ₹200 Cr
Technology upgradation	30% of FCI on 1 st invoice in 2 yrs (Cap - ₹30 Lakhs)	30% of FCI on 1 st invoice in 3 yrs (Cap - ₹80 Lakhs)	30% of FCI on 1 st invoice in 3 yrs (Cap - ₹3 Cr)	30% of FCI on 1 st invoice in 5 yrs (Cap - ₹ 4 Cr)	30% of FCI on 1 st invoice in 5 yrs (Cap - ₹5 Cr)	20% of FCI on 1st invoice in 5 yrs (Cap - ₹10 Cr)	20% of FCI on 1st invoice in 5 yrs (Cap - ₹20 Cr)
Waste Processing	25% of FCI on 1 st invoice in 2 yrs (Cap - ₹25 Lakhs)	25% of FCI on 1 st invoice in 3 yrs (Cap - ₹60 Lakhs)	25% of FCI on 1 st invoice in 3 yrs (Cap - ₹2.5 Cr)	25% of FCI on 1 st invoice in 5 yrs (Cap - ₹3.5 Cr)	25% of FCI on 1 st invoice in 5 yrs (Cap - ₹5 Cr)	25% of FCI on 1 st invoice in 5 yrs (Cap - ₹5 Cr)	25% of FCI on 1 st invoice in 5 yrs (Cap - ₹5 Cr)
Setting up of Modern Abattoirs / Meat Processing Units / Animal Feed Units	35% of FCI on 1 st invoice in 2 yrs (Cap - ₹35 Lakhs)	35% of FCI on 1 st invoice in 3 yrs (Cap - ₹85 Lakhs)	35% of FCI on 1 st invoice in 3 yrs (Cap - ₹3.5 Cr)	35% of FCI on 1 st invoice in 5 yrs (Cap - ₹8.5 Cr)	35% of FCI on 1 st invoice in 5 yrs (Cap - ₹15 Cr)	35% of FCI on 1 st invoice in 5 yrs (Cap - ₹25 Cr)	35% of FCI on 1 st invoice in 5 yrs (Cap - ₹35 Cr)
Food Testing Laboratories	35% of FCI on 1 st invoice in 2 yrs (Cap - ₹ 5 Cr)	35% of FCI on 1 st invoice in 2 yrs (Cap - ₹ 5 Cr)	35% of FCI on 1 st invoice in 2 yrs (Cap - ₹ 5 Cr)	35% of FCI on 1 st invoice in 2 yrs (Cap - ₹ 5 Cr)	35% of FCI on 1 st invoice in 2 yrs (Cap - ₹ 5 Cr)	35% of FCI on 1 st invoice in 2 yrs (Cap - ₹ 5 Cr)	35% of FCI on 1 st invoice in 2 yrs (Cap - ₹ 5 Cr)
Power cost reimbursement	₹ 1.5 per unit for 5 yrs from DCP (cap - ₹1 Lakh per annum)	₹ 1.5 per unit for 5 yrs from DCP (cap - ₹1.5 Lakh per annum)	₹1.5 per unit for 5 yrs from DCP (cap - ₹5 Lakh per annum)	₹ 1.5 per unit for 5 yrs from DCP (cap - ₹10 Lakh per annum)	₹ 1 per unit for 5 yrs from DCP (cap - ₹15 Lakh per annum)	₹ 1 per unit for 2 yrs from DCP (cap - ₹15 Lakh per annum)	₹ 1 per unit for 2 yrs from DCP (cap - ₹15 Lakh per annum)

Amendment proposed to A.P. Food Processing Policy 4.0							
Component	Micro		Small		Medium		Large
Slab	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II	
Investment limit	Upto ₹1 Cr	Above ₹1 Cr to ₹2.5 Cr	Above ₹2.5 Cr to ₹10 Cr	Above ₹10 Cr to ₹25 Cr	Above ₹25 Cr to ₹50 Cr	Above ₹50 Cr to ₹125 Cr	Above ₹125 Cr to ₹200 Cr
Net SGST reimbursement	100% for 5 yrs (annual cap - 5% turnover)	100% for 5 yrs (annual cap - 5% turnover)	100% for 5 yrs (annual cap - 5% turnover)	100% for 5 yrs (annual cap - 5% turnover)	100% for 5 yrs (annual cap - 5% turnover)	100% for 5 yrs (annual cap - 5% turnover)	100% for 5 yrs (annual cap - 5% turnover)
Skill upgradation cost	₹5,000 per person for max. of 10 persons	₹10,000 per person for max. of 20 persons	₹10,000 per person for max. 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	Nil
Energy & Water audit cost	75% of cost (Water audit cap ₹1Lakh Energy audit cap ₹2Lakh) during policy period	75% of cost (Water audit cap ₹1Lakh Energy audit cap ₹2Lakh) during policy period	75% of cost (Water audit cap ₹1Lakh Energy audit cap ₹2Lakh) during policy period	75% of cost (Water audit cap ₹1Lakh Energy audit cap ₹2Lakh) during policy period	75% of cost (Water audit cap ₹1Lakh Energy audit cap ₹2Lakh) during policy period	Nil	Nil
	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 - ₹50Lakhs	Nil	Nil

Amendment proposed to A.P. Food Processing Policy 4.0							
Component	Micro		Small		Medium		Large
Slab	Slab -I	Slab -II	Slab -I	Slab -II	Slab -I	Slab -II	
Investment limit	Upto ₹1 Cr	Above ₹1 Cr to ₹2.5 Cr	Above ₹2.5 Cr to ₹10 Cr	Above ₹10 Cr to ₹25 Cr	Above ₹25 Cr to ₹50 Cr	Above ₹50 Cr to ₹125 Cr	Above ₹125 Cr to ₹200 Cr
Local procurement subsidy*	1% of annual turnover for 3 yrs, with overall cap of ₹ 15 Lakh	1% of annual turnover for 3 yrs, with overall cap of ₹1.5 Cr	1% of annual turnover for 3 yrs, with overall cap of ₹1.5 Cr	1% of annual turnover for 3 yrs, with overall cap of ₹ 7 Cr	1% of annual turnover for 3 yrs, with overall cap of ₹ 7 Cr	Nil	Nil
Quality Certification cost top-up	Balance of Govt subsidy to cover 100% cost	Balance of Govt subsidy to cover 100% cost	Balance of Govt subsidy to cover 100% cost	Balance of Govt subsidy to cover 100% cost	Balance of Govt subsidy to cover 100% cost	Nil	Nil

5. The Incentives mentioned in the policy will be extended to eligible Industries as per the operational guidelines to be notified separately. The CEO, AP Food Processing Society, Mangalagiri shall take necessary action for drafting/ implementing operating guidelines for this Policy.

6. The Chief Executive Office, Andhra Pradesh Food Processing Society Mangalagiri shall take necessary action accordingly.

7. This order issues with the concurrence of the Finance (FMU.I&I, Energy, I&C) Department vide their U.O.No.FIN01-FMU0ASD(IC)/10/2025 (C.No.2874425).

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

CHIRANJIV CHOUDHARY
SECRETARY TO GOVERNMENT

To

The Chief Executive Officer, AP Food Processing Policy, Mangalagiri

Copy to:

The Director of Handlooms and Textiles, Mangalagiri.

The Director of Mines and Geology, Ibrahimpatnam, Vijayawada.

The Managing Director, Andhra Pradesh State Financial Corporation, Vijayawada

The Principal Finance Secretary, AP Secretariat, Velagapudi.

The Secretary to Government, Finance Department
The Secretary to Government, Social Welfare Department.
The Secretary to Government, Tribal Welfare Department
The Special Chief Secretary to Government, Revenue Department.
The Special Chief Secretary to Government, Irrigation & CAD (Reforms) Dept,
The Special Chief Secretary to Government, Energy Department.
The Secretary to Government, I&I Department.
The G.A. (Cabinet) Dept.,
The LFB&IMS Department.
The Accountant General, Andhra Pradesh, Hyderabad
The Convener, State Level Banker's Committee.
The General Manager, Small Industry Development Bank of India, (SIDBI),
The Pay and Accounts Officer, Vijayawada.
All District Collectors through Director of Industries, Mangalagiri.
All Heads of Departments through Director of Industries, Mangalagiri.
All Departments of Secretariat, Velagapudi.
All Govt. Companies/Corporations through Director of Industries, Vijayawada.
The Secretary, Government of India, Ministry of Food Processing Industries,
Panchsheel Bhavan, August Kranti Marg, New Delhi-110 049.
The P.S. to Secretary to Chief Minister, Andhra Pradesh.
The P.S. to Chief Secretary to Government, Andhra Pradesh.
The P.S. to Hon'ble Min. for I&C and FP
All Private Secretaries to the Ministers.
All General Managers, District Industries Centre in the State through Director of
Industries, Vijayawada.
P.S to the Secretary, I&C Department
All Sections in the Department.
SF/SC (2583466)

//FORWARDED :: BY ORDER//

S. Swarnalatha
SECTION OFFICER