GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries& Commerce (P&I) Department - Andhra Pradesh Space Policy (4.0) 2025-30- Orders - Issued.

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INDUSTRIES AND COMMERCE (P&I) DEPARTMENT

G.O.Ms.No.122 Dated:13-07-2025

Read

e-file No. INC02-21045/85/2025-AD-DIC of Director of Industries.

ORDER:

Government of India has laid out an ambitious vision for the National Space Programme over the next decades, encompassing advanced missions, next-generation infrastructure, and strategic research and development. These projects, driven by Indian Space Research Organisation, Department of Space, and their commercial and regulatory arms, represent a significant opportunity for industrial participation across manufacturing, innovation, and services. Andhra Pradesh, with its geographic and policy advantages, is uniquely positioned to support and benefit from the national initiatives.

2. Towards supporting the vision of Government of India, Government of Andhra Pradesh aims to create an enabling ecosystem for the development, manufacturing, and commercialization of space technologies and services. Accordingly, the Director of Industries has proposed Andhra Pradesh Space Policy 2025-2030 and informed that the policy will facilitate investments amounting to INR 25,000 crore in the space sector over the next ten years and Create 5,000 direct jobs and 30,000 indirect jobs in high technology space-linked domains.

3. To develop a comprehensive and inclusive industrial ecosystem for space sector participants including startups, large enterprises, academic institutions, and global investors, to attract domestic and foreign investment in upstream, midstream, and downstream segments of the space value chain, to facilitate space-based innovations in governance, education, agriculture, disaster management, and environmental monitoring, to support national space programmes through industrial supply base development, proximity advantages, and targeted manufacturing clusters near Sriharikota and to promote public-private partnerships and encourage technology transfer through regulatory frameworks and funding mechanisms, the the Director of Industries has submitted that extensive consultation with the stakeholders have been done, duly involving the Advisor for Space, appointed by the Government of Andhra Pradesh. Accordingly, the Government of Andhra Pradesh has decided to bring a new Space Policy.

(p.t.o.)

4. Government after careful examination of the proposal, hereby introduce the New Andhra Pradesh Space Policy (4.0) 2025-30. The detailed policy document is appended at Annexure-I.

5. The Andhra Pradesh Space Policy (4.0) 2025-30 is valid for a period of 5 years from the date of issue of the policy or till a new Policy is announced, including the following interventions.

i. A technical committee under the Commissioner of Industries will be setup in order to vet and process applications for land allotment in space city, as the lands available are limited and all the players for the successful operation of the Space City have to be accommodated in the Space City proposed by the Government in Sri Satya Sai District and Tirupati District.

ii. To effectively implement the Andhra Pradesh Space Policy (4.0), the state will establish a dedicated Special Purpose Vehicle named the Andhra Pradesh Space City Corporation. This entity will be responsible for driving all initiatives related to the development of both the Space Cities. It will serve as the central agency to coordinate infrastructure development, raise startup funds, attract investments, facilitate industry partnerships, build partnerships to attract global demand and liaise with all Government of India entities for domestic demand. The Corporation will also facilitate investors to ensure streamlined execution of space-related projects.

6. The Director of Industries, Andhra Pradesh and the Vice Chairman and Managing Director, APIIC shall take further necessary action accordingly.

7. This orders issued with the concurrence of Finance (FMU-I&I, Energy and 1&C) Department vide their U.O.No. FIN01-FMU0PC(IC)/27/2025-FMU-IC-IIE dt:08.07.2025 (Computer No.2892378).

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

N.YUVARAJ
SECRETARY TO GOVERNMENT

To
The Director of Industries, Andhra Pradesh, Mangalagiri.
The Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation, Mangalagiri, Guntur.
The TR&B Department, A.P. Secretariat.
The Energy Department, A.P. Secretariat.
The Commissioner of Handlooms and Textiles, Mangalagiri.
The Director of Mines and Geology, Ibrahimpatnam, Vijayawada.

Contd..3....

The Managing Director, Andhra Pradesh State Financial Corporation, Tadepalli, Guntur.
The Finance Department, A.P. Secretariat.
The Social Welfare Department, A.P. Secretariat.
The Tribal Welfare Department, A.P. Secretariat.
The Revenue (CT/LA) Department, A.P. Secretariat.
The Water Resources (Reforms) Department.
The EFS&T Department, A.P. Secretariat.
The I&I Department, A.P. Secretariat.
Sri Sreedhara Panicker Somanath, Honorary Advisor (Space Technology)
Copy to:
The LFB&IMS Department, A.P. Secretariat.
The Accountant General, Andhra Pradesh.
The Convener, State Level Banker's Committee. R.R.AppaRao Street, Vijayawada -520001, Andhra Pradesh
The General Manager, Small Industry Development Bank of India, (SIDBI), 15, AshokMarg, CivilLines, Lucknow, UttarPradesh 226001
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, Mangalagiri.
The P.S. to Secretary to Chief Minister, Andhra Pradesh.
The P.S. to Chief Secretary to Government, Andhra Pradesh.
All Private Secretaries to the Ministers.
All General Managers, District Industries Centre in the State through the Director of Industries, Mangalagiri.
All Sections in the Department
Sf/Sc (Com.No. 2891638)

// FORWARDED :: BY ORDER//

SECTION OFFICER

ANNEXURE - I

Andhra Pradesh Space Policy 4.0 2025-30

CONTENTS

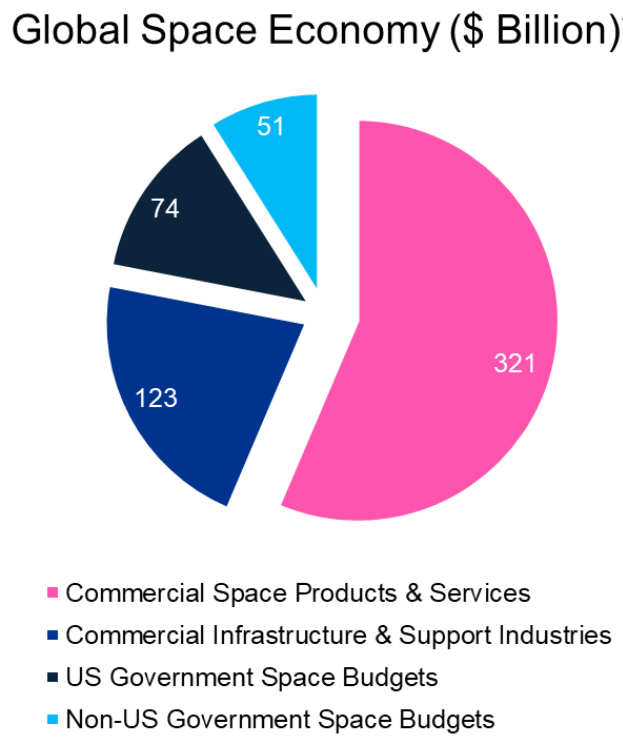
ABBREVIATIONS

Sl.No.	Abbreviation	Full Form / Definition
1	ISRO	Indian Space Research Organisation
2	NSIL	NewSpace India Limited
3	IN-SPACe	Indian National Space Promotion and Authorization Center
4	DoS	Department of Space
5	PSLV	Polar Satellite Launch Vehicle
6	SSLV	Small Satellite Launch Vehicle
7	NGLV	Next Generation Launch Vehicle
8	GDP	Gross Domestic Product
9	PPP	Public-Private Partnership
10	R&D	Research and Development
11	IoT	Internet of Things
12	EMI/EMC	Electromagnetic Interference / Electromagnetic Compatibility
13	LEO	Low Earth Orbit
14	GEO	Geostationary Earth Orbit
15	VC	Venture Capital
16	MSME	Micro, Small and Medium Enterprises
17	IP	Intellectual Property
18	GER	Gross Enrollment Ratio
19	FDI	Foreign Direct Investment
20	GSLV	Geosynchronous Satellite Launch Vehicle
21	SpaceTech Park	Dedicated industrial cluster for space technology enterprises
22	Cleanroom	Controlled environment space for assembly/testing of space-grade components
23	Propulsion Bay	Facility for testing space propulsion systems under controlled conditions
24	SDSC- SHAR	Satish Dhawan Space Centre,India’s primary spaceport, located in Sriharikota
25	Space City	Planned industrial and innovation hubs for space activities in Andhra Pradesh
26	Space Applications	Use of satellite-based technologies for terrestrial services such as navigation and monitoring
27	Technology Adoption Fund	State-administered fund to promote indigenous innovation and prototyping

Note: USD 1 = INR 86

1. GLOBAL SPACE INDUSTRY TRENDS

The global space economy is undergoing a profound transformation, propelled by a convergence of technological, economic, strategic, and regulatory factors. The nature of participation in the space sector has expanded from a few government-funded space agencies to include a wide spectrum of stakeholders such as private companies, startups, academic institutions, and emerging space nations. These developments have significantly altered the structure, scale, and scope of the global space industry.



Global FDI in Last 5 years: $28 Billion**

1.1 Increasing Democratization of Space

Over seventy countries have now entered the space sector by developing satellite capabilities, participating in international missions, or establishing national space programmes. This surge in participation is driven by the gradual lowering of entry barriers, enabled by private launch service providers and commercial satellite platforms. These advancements have allowed even smaller countries and institutions to undertake independent space initiatives.

The global space ecosystem has also broadened significantly to include a wide spectrum of non-governmental actors. Academic institutions, private research entities, and space-focused startups are increasingly contributing to innovation and capacity building across the value chain. This expanding stakeholder base is reshaping the structure and dynamics of the global space industry towards a more inclusive and innovation-driven paradigm.

1.2 Rise of Satellite Mega-Constellations

The increasing global demand for real-time, high-bandwidth data services has catalysed a rapid rise in satellite mega-constellations, particularly in Low Earth Orbit (LEO). These constellations are being deployed to support a wide range of critical applications, including broadband internet connectivity, global positioning systems, and advanced Earth observation services.

Over the next five years, several thousand satellites are projected to be launched to meet these evolving requirements. This has resulted in sustained demand for mass production capabilities, with an emphasis on standardized satellite platforms and accelerated production cycles. The limited orbital lifespans of such satellites further necessitate frequent replenishment, thereby reinforcing the need for scalable and efficient manufacturing solutions.

1.3 Commercialization of Launch Services

Advancements in reusable launch vehicles and modular rocket platforms have led to a substantial reduction in the cost of placing payloads into orbit. These technologies are enabling more frequent and economically viable launch missions across a range of applications.

Commercial launch providers have now established themselves as reliable, scalable, and cost-effective alternatives to government-operated missions. As a result, both public and private entities are increasingly outsourcing launch services. This shift is driving the emergence of new private launch service providers worldwide, many of whom are backed by national space agencies and supported through venture capital investments.

1.4 Shift Towards Private and Commercial Space Stations

The planned decommissioning of the International Space Station has accelerated global interest in the development of commercial space station concepts. These emerging platforms reflect a shift in strategic priorities, with increasing emphasis on private-sector participation in orbital infrastructure.

Spacefaring nations and private enterprises across the United States, Europe, Russia, and China are actively pursuing orbital research facilities designed for habitation, in-orbit manufacturing, and scientific experimentation under microgravity conditions. These

commercial space stations are poised to serve as multipurpose platforms, catering to both governmental and commercial requirements in the coming decades.

1.5 Expansion of Strategic Missions and Human Spaceflight

National space agencies are intensifying investments in planetary exploration, with a focus on upcoming missions to the Moon, Mars, and Venus. These initiatives are aimed at advancing scientific discovery and asserting technological leadership in deep-space exploration.

Simultaneously, strategic space missions are being conceptualised to strengthen sovereign capabilities in navigation, reconnaissance, secure communications, and meteorological forecasting. In parallel, human spaceflight programmes, space tourism ventures, and habitation modules for Low Earth Orbit are being developed as part of long-term national space roadmaps, reflecting a shift toward sustained human presence in space.

1.6 Surge in Space-Tech Startups and Innovation Ecosystems

The global space industry is experiencing a rapid proliferation of private startups operating across multiple segments of the value chain. These enterprises are developing cost-effective solutions in areas such as launch services, propulsion systems, satellite platforms, data analytics, and in-orbit servicing.

Recognising the transformative potential of private innovation, several governments have instituted supportive ecosystems that include venture funding mechanisms, regulatory facilitation, and dedicated space-focused incubators. These measures are fostering a vibrant and competitive landscape that accelerates technological advancement and commercialization in the space sector.

1.7 Evolution of the Global Supply Chain and Manufacturing Partnerships

The growing demand for space hardware has necessitated the formation of globally distributed supply chains, with distinct specialisations in satellite assembly, electronic subsystems, ground infrastructure, and testing services. This shift reflects the increasing complexity and scale of contemporary space missions.

Aerospace firms are progressively outsourcing component manufacturing, prototyping, and integration functions to cost-efficient geographies that possess robust engineering

capabilities. In this context, India is emerging as a global hub for high-quality, cost-effective space manufacturing, supported by a skilled workforce, a strong precision engineering base, and a conducive, policy-driven industrial ecosystem.

2. CURRENT INDIAN SPACE ECOSYSTEM

India's space programme has evolved into a robust ecosystem with active participation from government agencies, private enterprises, research institutions, and emerging startups. With strategic guidance from the Department of Space and implementation by various dedicated agencies, India is now transitioning from a government-led space effort to an innovation-driven and commercially vibrant sector.

2.1 Market Landscape and Economic Footprint

India's space sector currently contributes approximately 2 percent (USD 8 to 10 billion) to the global space economy, which is valued at over 500 billion US dollars. The Government of India has set an ambitious target to raise this share USD 44 Billion by 2030, signalling a strong national commitment to expanding the sector's global footprint.

The domestic space ecosystem comprises more than 700 firms supporting Indian Space Research Organisation (ISRO) missions, in addition to over 200 to 250 space-focused startups that contribute to a vibrant and rapidly evolving innovation landscape.

2.2 Institutional Structure and Governance

India's space ecosystem is supported by a structured institutional framework under the Department of Space, which oversees the three key organizations responsible for research, regulatory functions, and commercial operations.

2.2.1 Indian Space Research Organisation (ISRO)

The Indian Space Research Organisation (ISRO) functions as the principal agency for the design, development, and execution of India's space missions. It holds core responsibilities across the spectrum of launch vehicle technology, satellite development, space-based applications, and deep space exploration.

ISRO has played a pivotal role in establishing India's strategic and scientific presence in space through landmark missions such as *Chandrayaan*, *Mangalyaan*, and the forthcoming *Gaganyaan*. These initiatives underscore the nation's growing capabilities in planetary science, satellite engineering, and human spaceflight preparedness.

2.2.2 IN-SPACe (Indian National Space Promotion and Authorization Center)

IN-SPACe functions as the single-window nodal agency established to facilitate and authorise private sector participation in the Indian space ecosystem. It plays a critical regulatory and enabling role by providing necessary clearances, supporting capacity-building initiatives, and facilitating access to ISRO's infrastructure for private enterprises.

The agency is also entrusted with the implementation of the Indian Space Policy 2023 and oversees the administration of the Technology Adoption Fund, with an allocation of INR 500 crore. Through these responsibilities, IN-SPACe is instrumental in fostering an inclusive, innovation-driven, and commercially viable space sector in India.

2.2.3 NewSpace India Limited (NSIL)

NewSpace India Limited (NSIL) serves as the commercial arm of the Department of Space, with a mandate to foster public-private partnerships in space operations. The organisation is responsible for the commercialisation of technologies developed by ISRO and facilitates the production of launch vehicles, satellites, and related applications in collaboration with industry stakeholders.

NSIL plays a pivotal role in operationalising new industry-led models for space manufacturing, including the production of the PSLV, SSLV, and the Next Generation Launch Vehicle (NGLV). Through these efforts, NSIL is driving the transition towards a more industry-partnered and commercially scalable space ecosystem.

2.3 Policy and Regulatory Reforms

The Government of India has undertaken a comprehensive set of policy reforms to catalyse private participation and investment in the space sector. The Indian Space Policy 2023 marks a pivotal shift by liberalising access to space technologies and infrastructure, while permitting 100 percent Foreign Direct Investment (FDI) under the automatic route for satellite component manufacturing and related services.

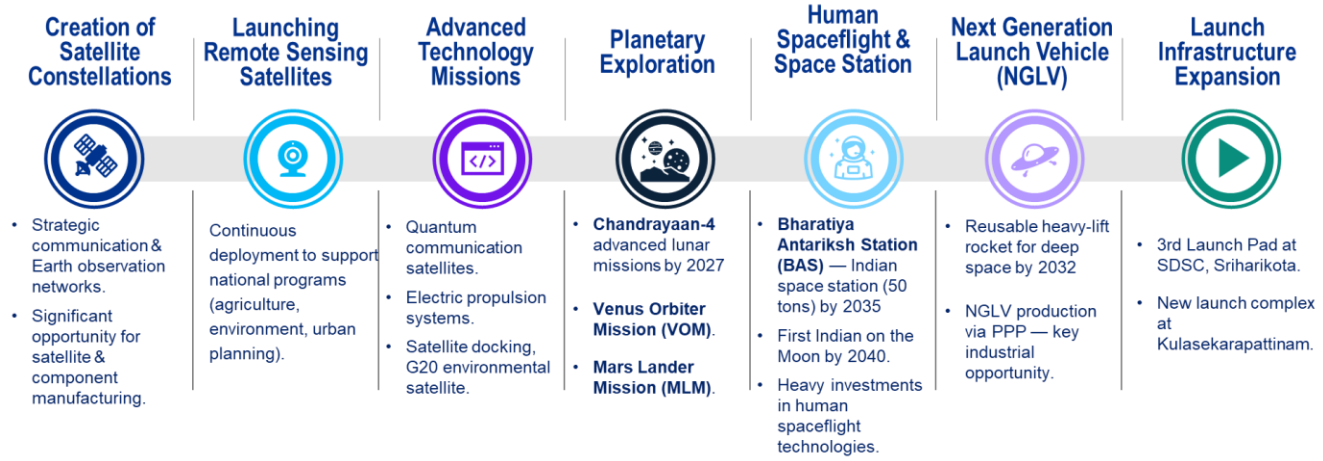
Complementary reforms have also simplified geospatial data policies to accelerate the development of downstream applications such as remote sensing, mapping, and location-based services. Startups and private enterprises are being actively supported through access to ISRO's testing infrastructure, incubation facilities, and dedicated venture capital mechanisms.

Together, these reforms are transforming India into a globally competitive and innovation-driven space power, enabling stronger industry engagement and accelerating the pace of commercialisation.

3. KEY PROJECTS BY GOVERNMENT OF INDIA

The Government of India has laid out an ambitious vision for the national space programme over the next decade, encompassing advanced missions, next-generation infrastructure, and

strategic research and development. These projects, driven by Indian Space Research Organization, Department of Space, and their commercial and regulatory arms, represent a significant opportunity for industrial participation across manufacturing, innovation, and services. Andhra Pradesh, with its geographic and policy advantages, is uniquely positioned to support and benefit from these national initiatives.



3.1 Satellite Constellation Deployment

India has outlined plans to develop and deploy multiple constellations of communication and Earth observation satellites to address growing domestic and global demands. These constellations will comprise small, medium, and large satellites strategically positioned in both Low Earth Orbit (LEO) and Geostationary Orbit (GEO), enabling diverse applications ranging from broadband connectivity to environmental monitoring.

The successful execution of these programmes will necessitate sustained production capabilities across satellite platforms, subsystems, launch services, and mission operations, creating significant opportunities for industrial participation and ecosystem expansion.

3.2 Remote Sensing and Meteorological Infrastructure

The Department of Space is prioritising the enhancement of national capabilities in meteorological observation and real-time Earth monitoring. To this end, a new generation of remote sensing satellites is being planned to support critical sectors such as agriculture, forestry, urban planning, disaster management, and climate research.

These programmes will depend on the deployment of advanced sensors, the establishment of high-capacity data processing centres, and the expansion of satellite

manufacturing infrastructure—laying the foundation for robust and responsive Earth observation systems.

3.3 Next-Generation Technology Missions

ISRO has outlined a series of forward-looking missions centred on advanced technologies such as quantum communication, in-orbit docking, and electric propulsion. These initiatives represent a strategic push towards enhancing India's technological edge in space exploration and satellite services.

Planned projects include the development of orbital servicing systems, re-entry demonstrators, and multi-satellite deployment platforms. Collectively, these efforts are expected to catalyse new markets and stimulate demand for high-precision manufacturing, subsystem integration, and advanced electronic components.

3.4 Planetary and Interplanetary Exploration

India's planetary exploration roadmap includes an ambitious series of scientific missions such as *Chandrayaan-4* and *Chandrayaan-5* for lunar exploration, a dedicated Mars Lander Mission, and the Venus Orbiter Mission. These endeavours aim to expand India's footprint in deep-space research and planetary science.

The execution of these missions will necessitate cutting-edge capabilities in advanced payloads, composite materials, high-capacity launch vehicles, and deep space communication systems. They also present significant long-term opportunities for both private industry and institutional stakeholders to contribute to the development of deep-space technologies.

3.5 Human Spaceflight and Space Station Development

The Gaganyaan mission marks India's entry into human spaceflight and will involve the development of critical systems such as crew modules, life-support mechanisms, and launch escape systems. This milestone initiative lays the groundwork for India's long-term ambitions in crewed space exploration.

Building on the success of Gaganyaan, the Government of India has proposed the establishment of the *Bharatiya Antariksh Station*, a national space station with an

estimated mass of 50 tonnes. Furthermore, a strategic vision has been outlined to send the first Indian astronaut to the Moon by 2040.

These programmes will demand significant investments in astronaut training infrastructure, habitation modules, and associated aerospace technologies—creating opportunities for both public and private sector collaboration.

3.6 Next Generation Launch Vehicles

ISRO is currently developing the Next Generation Launch Vehicle (NGLV), envisioned as a modular and potentially reusable rocket system designed to deliver larger payloads into space. This advanced platform is intended to succeed existing PSLV and GSLV variants, while supporting future requirements in human spaceflight and deep-space missions.

To ensure scalability and accelerated deployment, the Government has proposed the adoption of industrial partnerships and public-private collaboration models. These approaches aim to enhance domestic manufacturing capabilities and promote greater private sector participation in India's next phase of launch infrastructure development.

3.7 Expansion of Launch Infrastructure

To accommodate the growing frequency of launch operations and support future human spaceflight missions, a third launch pad is under development at the Satish Dhawan Space Centre in Sriharikota. In parallel, a second spaceport is being established at Kulasekarapattinam, Tamil Nadu, specifically designed to cater to small satellite launch vehicles and emerging commercial missions.

These infrastructure expansions will necessitate the creation of ancillary services including propellant storage facilities, specialised transportation systems, ground tracking stations, and telemetry support systems—thereby opening new avenues for industrial and logistics partnerships.

4. ADVANTAGE ANDHRA PRADESH

Andhra Pradesh offers a strategic convergence of location, industrial capacity, institutional ecosystem, and human capital that uniquely positions the State as a national anchor for the space sector. With its proximity to India's only operational spaceport, a well-developed

manufacturing base, and proactive government support, Andhra Pradesh is suited to serve both national missions and private commercial space ventures.

4.1 Strategic Location

Andhra Pradesh holds a distinct geographic advantage in the national space ecosystem, being home to the Satish Dhawan Space Centre at Sriharikota—India's only operational launch site. With over 90 successful launches to date, the facility anchors the State's strategic relevance in the country's space programme.

The development of a third launch pad at Sriharikota further reinforces Andhra Pradesh's role in supporting future strategic, commercial, and crewed space missions. Additionally, the State's proximity to key aerospace hubs such as Bengaluru and Chennai offers significant logistical and technical advantages for component sourcing, talent access, and cross-sector collaboration.

4.2 Proximity of AP Space city to Key Ecosystems

Andhra Pradesh is emerging as a strategic hub for the space industry due to its proximity to key ecosystems. The**Space City in Sri Satya Sai District (along Hyderabad- Bengaluru Industrial Corridor),**situated close to Bengaluru, which is home to the Indian Space Research Organisation's (ISRO) R&D hub and prominent aerospace clusters, the state offers unparalleled opportunities for collaboration and innovation.

Additionally, **Space City-Tirupati** boasts direct road access to the Satish Dhawan Space Centre (SDSC-SHAR) launch pad, facilitating efficient launch operations. Both locations have vast land banks available, providing ample scope for development and growth. This unique combination of advantages positions Andhra Pradesh as an attractive destination for space-related activities, driving innovation and economic growth.

4.3 Strong Industrial Base

Andhra Pradesh possesses a robust and diversified industrial base spanning sectors such as electronics, electricals, defence, precision engineering, and heavy machinery—all of which align closely with the requirements of space manufacturing and allied services.

The State has developed a network of industrial corridors and Special Economic Zones, supported by integrated infrastructure including ports, airports, expressways, and logistics parks. Dedicated industrial clusters in Anantapur, Chittoor, and Nellore districts are equipped with facilities for electronics manufacturing, high-precision machining, and composite fabrication.

Further strengthening its position, Andhra Pradesh has taken a proactive lead in establishing greenfield industrial cities and innovation parks, offering plug-and-play infrastructure to facilitate advanced manufacturing and R&D activities.

5. STRATEGIC VISION AND OBJECTIVES OF ANDHRA PRADESH FOR THE SPACE SECTOR

The State aims to create an enabling ecosystem for the development, manufacturing, and commercialization of space technologies and services. The policy approach is designed to complement national priorities, promote regional economic development, and position Andhra Pradesh as a leading hub in India's space value chain.

5.1 Vision

"The Government of Andhra Pradesh envisions positioning the State as a globally competitive and innovation-driven hub for space research, technology development, manufacturing, and launch services."

The space sector is seen as a strategic catalyst for fostering high-technology employment, driving industrial expansion, and advancing scientific capabilities within the State.

5.2 Mission Objectives

The Government of Andhra Pradesh sets forth the following mission objectives to guide the strategic development of the State's space sector:

1. To develop a comprehensive and inclusive industrial ecosystem for space sector participants including startups, large enterprises, academic institutions, and global investors.

2. To attract domestic and foreign investment in upstream, midstream, and downstream segments of the space value chain.

3. To facilitate space-based innovations in governance, education, agriculture, disaster management, and environmental monitoring.

4. To support national space programmes through industrial supply base development, proximity advantages, and targeted manufacturing clusters near Sriharikota.

5. To promote public-private partnerships and encourage technology transfer through regulatory frameworks and funding mechanisms.

5.3 Strategic Goals (2024–2034)

To realize its vision for the space sector, the Government of Andhra Pradesh has set the following strategic goals for the period 2024–2034:

1. Establish **two dedicated space industrial zones — Space City In Sri Satya Sai District (along Hyderabad- Bengaluru Industrial Corridor) and Space City in Tirupati District** — for design, R&D, manufacturing, and launch-related activities.

2. Facilitate **investments amounting to INR 25,000 crore** in the space sector over the next ten years.

3. Create 5,000 direct jobs and 30,000 indirect jobs in high-technology space-linked domains.

4. Enable the establishment of indigenous R&D and testing infrastructure to reduce dependency on external agencies.

5. Foster international collaborations and partnerships in critical space technologies, satellite applications, and launch logistics.

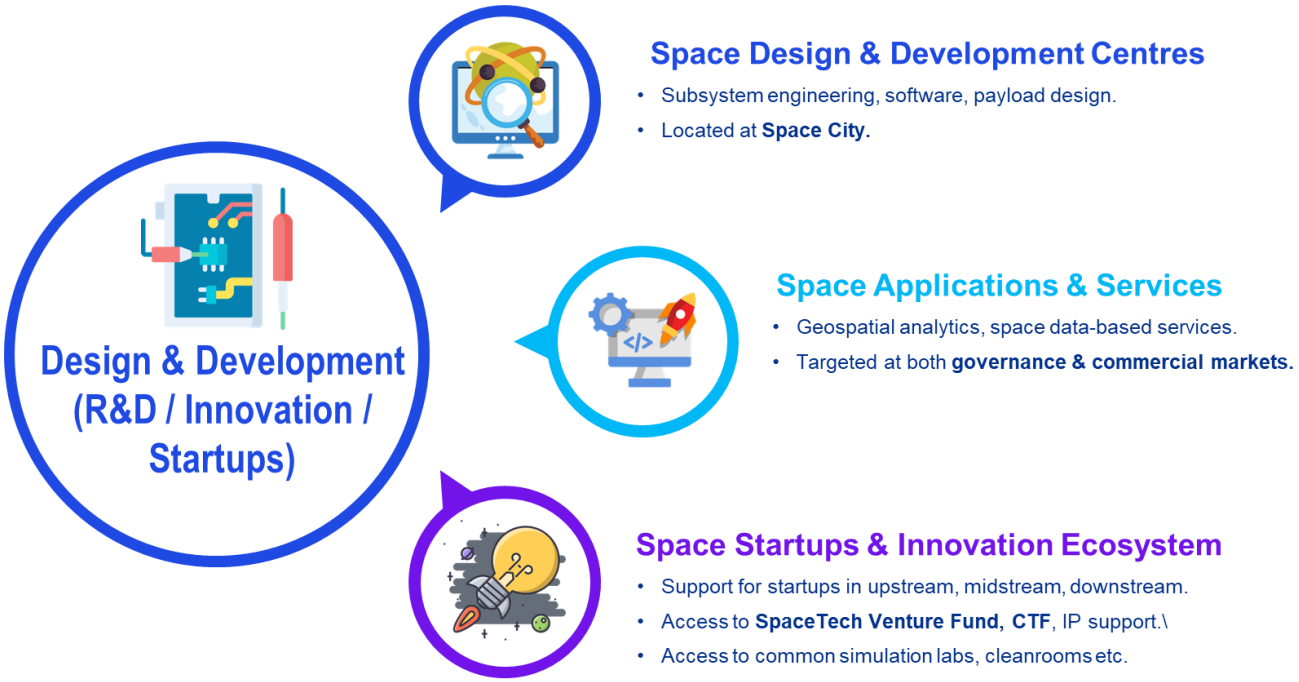
6. FOCUS SUB-SECTORS OF THE POLICY

The Government of Andhra Pradesh recognizes the need to target distinct sub-sectors within the space industry to ensure holistic and sustainable development. The policy categorizes these into two broad dimensions: **(i) Design and Development, and (ii) Manufacturing and Launch Logistics.** This structure is aligned with national objectives, global market trends, and the existing industrial capabilities within the State. The sub-sectors identified will be prioritized

for infrastructure, incentives, funding, and ecosystem facilitation under the State's space policy.

6.1 Design and Development

Under the umbrella of design and development, the state will focus on upstream research, product development, and the growth of a knowledge-driven innovation ecosystem that supports both early-stage and mature enterprisesin the following manner:



6.1.1 Spacecraft and Payload Design

Support the design and engineering of satellites, scientific instruments, and payload systems intended for communication, navigation, and remote sensing applications. Emphasis will be placed on promoting modular design methodologies and enabling rapid prototyping through the use of additive manufacturing technologies and standardized component libraries, thereby accelerating product development and reducing time-to-market.

6.1.2 Avionics and Embedded Systems

Promote the development of space-qualified electronics including on-board computers, navigation systems, and power systems for application in both launch vehicles and satellites. Targeted support will be extended to innovations in miniaturization, low power

consumption technologies, and the design of radiation-hardened electronic systems critical for mission resilience and reliability in space environments.

6.1.3 Space Applications and Downstream Services

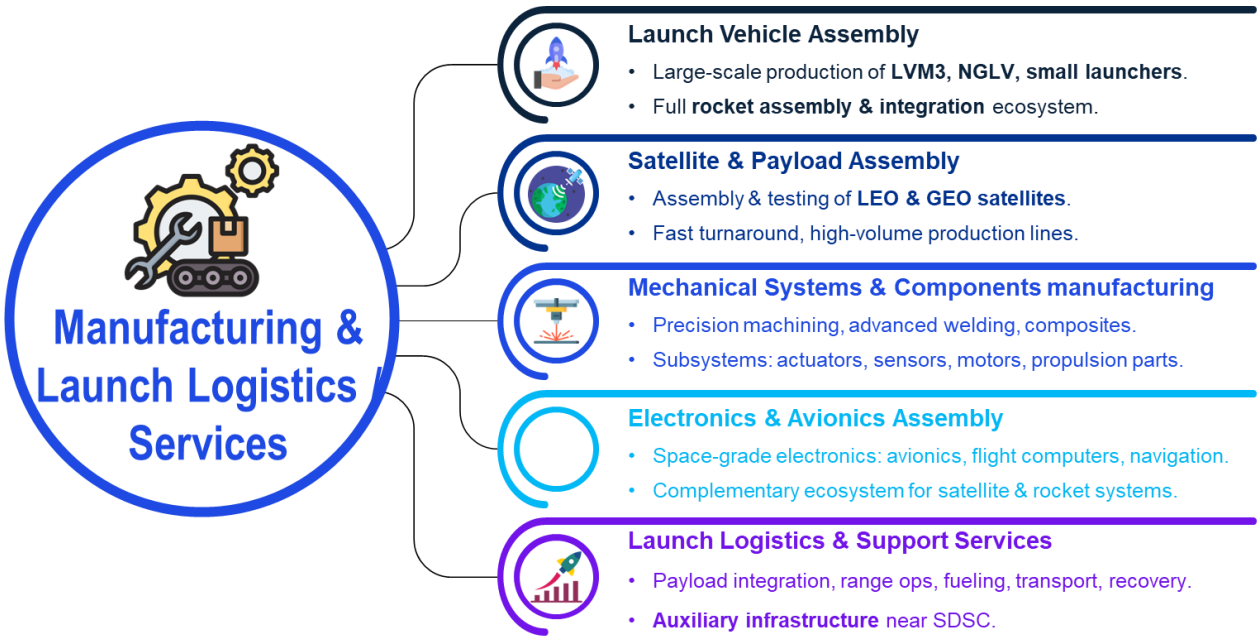
Promote startups and enterprises engaged in Earth observation, geospatial analytics, satellite-based communication, and Internet of Things (IoT) applications. To accelerate the commercialization of these services, institutional support will be extended to facilitate partnerships with government departments and private sector clients for wide-scale adoption of space-enabled solutions.

6.1.4 Research and Innovation Ecosystem

Establish dedicated research hubs, innovation clusters, and academic-industry partnerships to drive the development of next-generation space technologies. Early-stage innovators will be supported through access to shared facilities offering advanced design, simulation, and testing tools, along with incubation centres that foster experimentation and collaborative innovation.

6.2 Manufacturing and Launch Logistics

Under this umbrella, the state will focus on enabling high-quality, high-volume production capabilities across the entire spectrum of space hardware, components, and ground infrastructure. It will also support the logistics and services ecosystem around satellite and launch operations in the following manner:



6.2.1 Launch Vehicle and Propulsion Systems

Facilitate the manufacturing and assembly of complete launch vehicles across all classes—small, medium, and heavy-lift platforms—to meet diverse mission requirements. Dedicated support will also be extended for the development of liquid, solid, and hybrid propulsion systems, encompassing key components such as engines, nozzles, and fuel delivery systems essential for reliable launch performance.

6.2.2 Satellite and Subsystem Manufacturing

Support the establishment of modular satellite production facilities to enable high-throughput assembly and testing of spacecraft across various sizes, from small satellites to large platforms. Emphasis will be placed on the localisation of supply chains for key subsystems, including payloads, structural components, batteries, solar panels, and thermal control systems, to strengthen domestic manufacturing capabilities.

6.2.3 Mechanical and Precision Components

Develop specialized capabilities in advanced machining, composite fabrication, welding, casting, and coating processes that meet the stringent standards of space-grade manufacturing. Efforts will also focus on integrating MSMEs and Tier-II suppliers into the space industry value chain through targeted quality assurance initiatives and structured vendor development programmes.

6.2.4 Electronics, Sensors, and Actuators

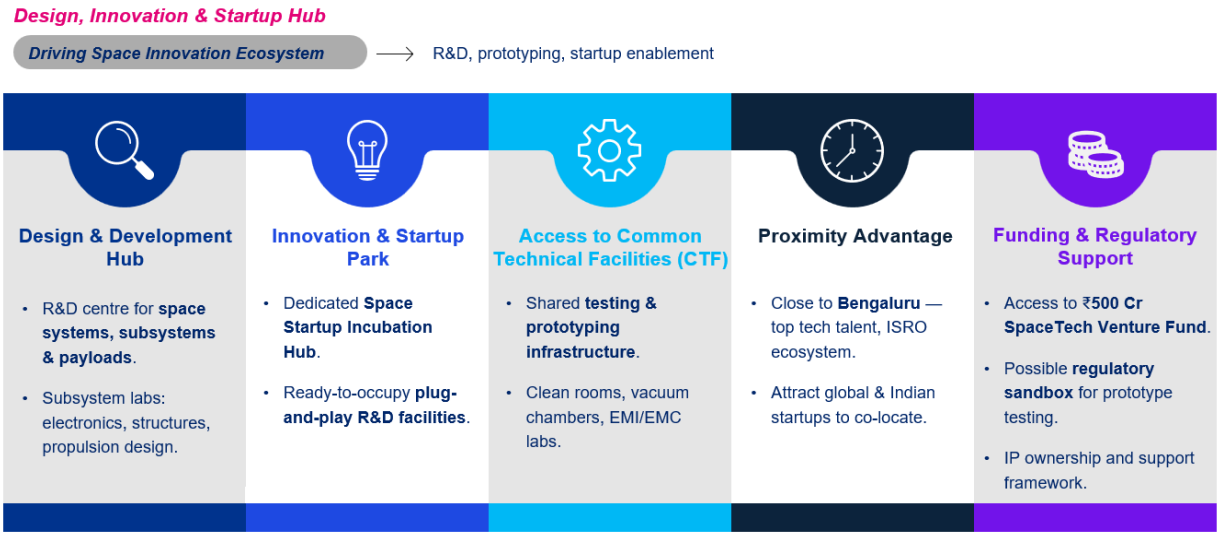
Promote the manufacturing of space-grade electronics, including sensors, inertial navigation systems, telemetry units, and actuators critical to satellite and launch vehicle performance. An enabling ecosystem will be developed to support Printed Circuit Board (PCB) assembly, chip packaging, and rigorous testing of avionics hardware, ensuring reliability and mission readiness.

6.2.5 Launch Logistics and Support Infrastructure

Develop dedicated infrastructure for transport, storage, and fueling to support both pre-launch and post-launch operations. In addition, facilitation will be provided for range support systems, payload integration services, and telemetry tracking units in proximity to launch facilities, ensuring seamless mission execution and operational efficiency.

7. SPACE CITY IN SRI SATYA SAI DISTRICT (ALONG HBIC)

The Government of Andhra Pradesh plans to develop a dedicated Space City in Sri Satya Sai District (along Hyderabad- Bengaluru Industrial Corridor), a national centre of excellence for research, design, innovation, and prototyping in the space sector. This initiative will focus **on the design and development sub-sector**, driving innovation and growth in the space industry.The city will offer a complete ecosystem for startups, MSMEs, research institutions, and anchor firms focused on upstream and design-intensive activities.



This space City in Sri Satya Sai District is strategically positioned to drive innovation and growth in the space industry. It will serve as a primary node for upstream innovation, offering infrastructure, shared facilities, and regulatory support for design-led enterprises.

The Space City will feature dedicated infrastructure, including SpaceTech Parks, R&D laboratories, and testing facilities. Shared services will ease capital burdens for early-stage enterprises.

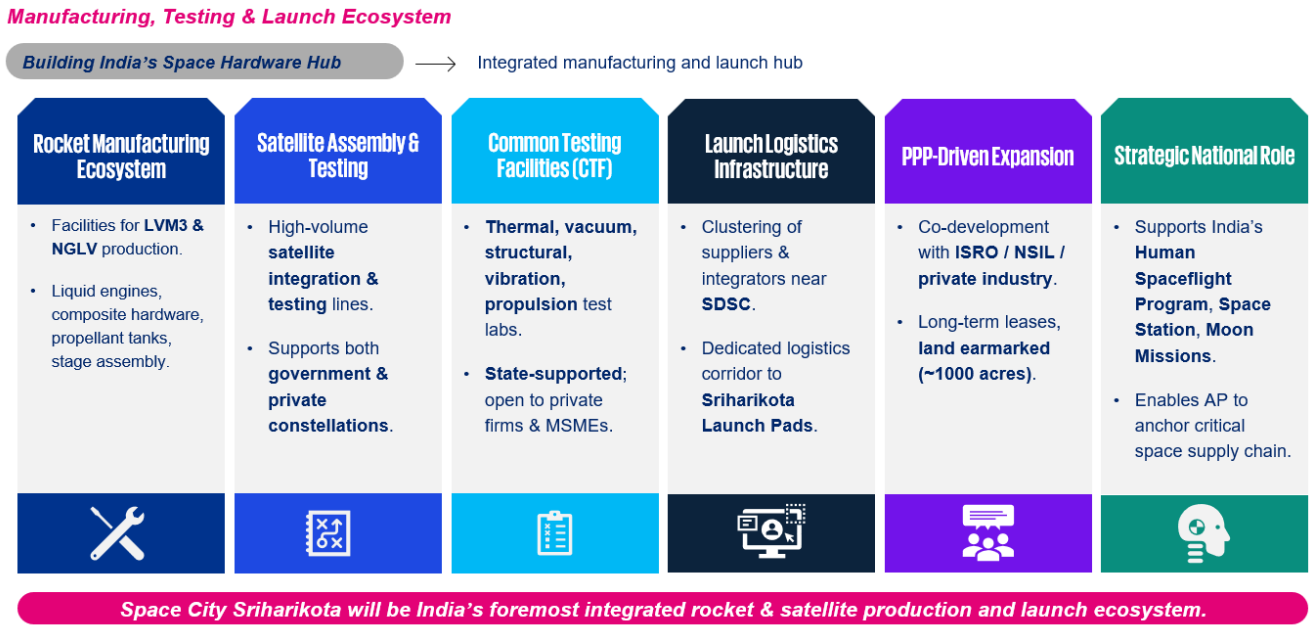
The Government of Andhra Pradesh will facilitate access to funding and venture capital and establish a regulatory sandbox for experimental design and prototyping. Institutions will be eligible for incentives, including reimbursement of testing expenses and research grants.

The Space City will foster collaboration with academic institutions and research laboratories, promoting cross-sector learning and knowledge sharing. A dedicated internship program will connect graduates with opportunities in design, engineering, and innovation.

By providing a supportive ecosystem, this Space City aims to accelerate product development and drive growth in the space industry.

8. SPACE CITY IN TIRUPATI (@ROUTHASURAMALA)

To capitalize on its geographic advantage and proximity to India's principal spaceport, the Government of Andhra Pradesh will establish a Space City in Tirupati district, near Kalahasti, focused on the sub-sector: **manufacturing, integration, and launch support services**. This industrial zone will serve as the primary hub for midstream and downstream space activities including component manufacturing, subsystem assembly, testing infrastructure, and logistics. The project is designed to create an integrated ecosystem supporting national launch programmes and global commercial missions.



The Space City in Tirupati is strategically located near the Satish Dhawan Space Centre, India's only operational launch complex. This proximity offers logistical and cost advantages for firms involved in final-stage satellite integration, fuelling, and mission preparation.

The city will function as a dedicated clustering zone for component manufacturers, satellite integrators, and service providers engaged in launch logistics and assembly operations. It will support critical domains such as propulsion system manufacturing, telemetry and tracking systems, and flight hardware assembly.

The Government of Andhra Pradesh will facilitate the development of core infrastructure, including roads, power supply, and communication networks. Land parcels will be allocated to eligible firms through streamlined procedures, with long-term lease options to encourage sustained investment.

A dedicated vendor development programme will be launched to integrate Tier-II and Tier-III suppliers into the national space supply chain. Capacity-building initiatives and certification courses will be conducted in partnership with ISRO and other national agencies to ensure adherence to industry standards. Targeted training programmes will also be implemented to skill the local workforce in areas such as precision machining and assembly.

Government of Andhra Pradesh, in close collaboration with Government of India agencies, will develop a dedicated capital-intensive Common Technical Facilities (CTFs) to provide specialized equipment to the space manufacturing cluster. The Space City will also house shared testing centres and certification facilities, including thermal vacuum chambers, vibration and structural testing setups, and environmental simulation laboratories. These facilities will support the qualification, and validation needs of the space industry.

9. FISCAL SUPPORT FOR SPACE-TECH STARTUPS

The Government of Andhra Pradesh shall extend the following incentivesto strengthen the State's space innovation ecosystem:

#	Category	Incentive
For Students and Startups		
1	**Startup Grants**	To convert innovative ideas into test solution or proof of concept 1. Upfront initial grant of up to Rs.2 Lakhs 2. Grant up to 15 Lakhs for startups, in a phase wise manner,

#	Category	Incentive
		based on existing phase of that startup is in and performance at previous stage, until product viability is reached. 3. This grant will be capped to total of 15 Lakhs in total to one startup. 4. Separate grand challenges/hackathons may be launched by Spoke Centers or departments of Government of Andhra Pradesh. The Spoke Centers will facilitate participation of startups in the same. The prize money/incentive may be announced at the time of announcement of the challenge/hackathon.
2	**Grants for Woman/ BC/ SC/ ST/ Minority/ Differently Abled & Others led startup**	1. Grant up to 20 Lakhs for startup with a founder from Women/ BC /SC /ST /Minority /Differently Abled & Others. 2. The grant will be given in a phase wise manner, based on existing phase of that startup is in and performance at previous stage, until product viability is reached. 3. This grant will be capped to total of 20 Lakhs in total to one startup. 4. Separate grand challenges/hackathons may be launched by Spoke Centers or departments of Government of Andhra Pradesh. The Spoke Centers will facilitate participation of startups in the same. The prize money/incentive may be announced at the time of announcement of the challenge/hackathon.
3	**Interest subsidy**	8% on term loan.

#	Category	Incentive
4	**Seed funding with Equity**	Up to 50 Lakhs, based on equity sharing model.
5	**Go to market support**	Up to 50 Lakhs, based on equity sharing model.
6	**Support for attending events/ Fairs etc.**	75% of cost, up to 3 Lakhs, incurred towards registration, travel, lodging and boarding expenses. Maximum of 1 event per year per startup.
7	**Accelerator program support**	50% of cost fee re-imbursement, for acceleration programs, up to 2 Lakhs per program. Maximum 2 programs per startup.
8	**Patent filing cost**	50% of patent expenses incurred, up to 2 Lakh India patent, 10 Lakh for foreign patent
9	**SGST reimbursement**	100% reimbursement for startups for 5 years.
10	**Need Based Seed funding with equity, for Deeptech& Advanced tech Startups**	I. Up to INR 1 Cr II. 100% rental Subsidy for workstations in notified co-working/ neighborhood work/ MSME Parks for 30 employees for one year

All startups will be facilitated through the “Andhra Pradesh Innovation & Startup Policy 4.0” and the Ratan Tata Innovation Hub network.

10. INCENTIVES FOR SPACE-TECH MANUFACTURING AND ASSEMBLY

10.1. Definitions

Under this policy, the beneficiary groups for incentives are categorised based on their Fixed Capital Investments (FCI), as under

Category	Investment Band	Investment Period
Micro Small Medium Enterprises	As per GoI definition	2 years
Large Enterprises	above INR 125 Cr and upto to INR 500 Cr	3 years
Mega Enterprises	above INR 500 Cr	4 years

The incentives and concessions are applicable for both Manufacturing and Services activities**.**

To encourage entrepreneurship from all sections of the society, special category enterprises are given higher incentives.

Special Category shall include – enterprises wholly owned or holding majority stake by women/ BC/ SC/ ST/ minority/ specially-abled/ transgender entrepreneurs having domicile in the state.

Eligible Fixed Capital Investment (eFCI):

a) For Large and Mega investments - only investment in Plant, Machinery and equipment. Eligible FCI does not include investment made towards land and building costs.
b) For MSMEs - investment in Plant, Machinery and equipment including cost incurred toward Land and Building expenses.

10.2.Incentive structure for MSMEs

MSMEs can avail all or any combination of the following list of incentive categories, provided overall incentive claim **does not exceed 75% of Fixed Capital Investment** made in the state.

a. Investment Subsidy

Enterprise	General	Special Category	Maximum Cap on incentive for General or Special Category

Enterprise	General	Special Category	Maximum Cap on incentive for General or Special Category
Micro	**25% of FCI** on CoD/1st invoice in 2 annual installments	**45% of FCI** on CoD/1st invoice in 2 annual installments	**INR 2 Cr**
Small	**25% of FCI** on CoD/1st invoice in 3 annual installments	**45% of FCI** on CoD/1st invoice in 3 annual installments	**INR 9 Cr**
Medium	**25% of FCI** on CoD/1st invoice in 4 annual installments	**35% of FCI** on CoD/1st invoice in 4 annual installments	**INR 15 Cr**

CoD- Commercial Operation date

b. Technology Transfer Subsidy

MSMEs that successfully enter Technology Transfer agreements with national or international organizations are eligible for the Technology Transfer subsidy. These enterprises can receive **50% of the technology acquisition cost, up to a maximum of INR 1 crore.** The incentive will be distributed over a four-year period, starting from the Date of Commencement of Production (DCP). A dedicated corpus of INR 100 Cr. shall be created to fund this subsidy.

c. Power Subsidy

Category	Micro Enterprise	Small Enterprise	Medium Enterprise
General (Manufacturing & Service activities)	**INR 1 per unit for 5 years** from DCP at INR 1 Lakh per annum	**INR 1 per unit for 5 years**from DCP at INR 5 Lakh per annum	**INR 1 per unit for 5 years** from DCP at INR 15 Lakh per annum
Special Category	**INR 1.5 per unit for 5 years** from DCP	**INR 1.5 per unit for 5 years**from DCP at	**INR 1 per unit for 5 years**from DCP at INR

Category	Micro Enterprise	Small Enterprise	Medium Enterprise
(Manufacturing & Service Activities)	at INR 1 Lakh per annum	INR 5 Lakh per annum	15 Lakh per annum

d. Net SGST Reimbursement

MSME units can avail **reimbursement of 100% net SGST** payable on the sale of final products manufactured and sold in the State, within the overall incentive cap limit for the firm. The subsidy can be availed for a period of 5 years from the date of commercial production.

e. Branding & Marketing Assistance

To encourage MSMEs participation in trade summits (both National or International) for promotion of their products and solutions, the policy offers 25% of cost incurred for travel, stall and creatives cost, with a **limit of INR 1 Cr per annum per enterprise for 3 years.**

f. Skill Development Assistance

MSMEs are encouraged to upgrade and train their workforce on latest skills in the sector, for which policy enables them to claim **skill development assistance of 50% training cost with a cap of INR 7 Lakh per enterprise.**

Further, Andhra Pradesh State Skill Development Corporation (APSSDC) will facilitate firms to streamline incentives under employment linked incentives notified by Government of India from time to time.

g. Stamp Duty and Transfer Duty Reimbursement

1. **Reimbursement of 100% stamp duty and transfer duty** paid by the industry on purchase of land meant for industrial use will be reimbursed.
   - 100% stamp duty for lease of land/shed/buildings, mortgages and hypothecations will be reimbursed.
   - Stamp duty will be reimbursed only one time on the land. Stamp duty will not be reimbursed on subsequent transactions on the same land.
2. Land conversion charges–**Reimbursement of 100%** fee charged for land conversion.

h. De-carbonization subsidy

1. To encourage circular economy, clean production, waste reduction, resource efficiency, green energy and safety measures government will incentivize responsible investors with de-carbonization subsidy.
2. Investment incurred towards plant and machinery for de-carbonization intervention will receive capital subsidy as a percentage of eligible project cost.

#	Category	Non-Red category (Incentive as % of eligible project cost)	Red category (Incentive as % of eligible project cost)	Maximum incentive (% of FCI)
1	**MSME**	10%	15%	6%

3. The total incentive under this category will be limited to a maximum of 6% of FCI.
4. The incentive is applicable for projects that are built for captive use.
5. Incentive will be disbursed according to the tenure specified for the respective investment band in the investment subsidy.

10.3.Incentive structure for Large Enterprises

Large firms can avail all or any combination of the following list of incentive categories, provided overall incentive claim **does not exceed 100% of Fixed Capital Investment** made in the state.

a. Investment Subsidy

Large Enterprises shall be eligible for **15% of eFCI with maximum cap. of INR 75 Cr,** disbursed over a period of 3 years

b. Technology Transfer Subsidy

Large enterprises that successfully enter Technology Transfer agreements with national or international organizations are eligible for the Technology Transfer subsidy. These enterprises

can receive **50% of the technology acquisition cost, up to a maximum of INR 1 crore.** The incentive will be distributed over a four-year (4) period, starting from the Date of Commencement of Production (DCP).

c. Rebate on Land cost

1. The **first five Large Industries**, taking possession of land from APIIC, will receive a 25% rebate on the gross selling price of land. These five anchor investments will be allowed to utilize 20% of land area for ancillaries.
2. Other eligible large-category beneficiaries under the policy will be entitled to a 10% rebate on the gross selling price of land.
3. The subsidy is capped at 15% of the Fixed Capital Investment (FCI). The subsidy can be availed at the time of settling payment for land with APIIC.

d. Top-up on PLI from Government of India

1. This incentive is in addition to the investment subsidy, applicable only for those projects that received GoI approval under PLI scheme or any other GoI scheme notified by the state from time to time.
2. State government will give **10% of the total incentive amount** sanctioned for the project under the GoI Scheme, capped at a maximum of 5% of FCI made in the state.
3. The incentive is eligible only to the extent of investment committed to GoI and proportionate FCI made in AP.
4. Incentive shall be disbursed in 5 equal annual installments from the DCP.

e. Net SGST Reimbursement

1. **Reimbursement of 100% net SGST payable** on the sale of final products manufactured, sold, and registeredin the State, will be reimbursed for a period of 5 years from the date of commercial production.

f. De-carbonization subsidy

1. To encourage circular economy, clean production, waste reduction, resource efficiency, green energy and safety measures government will incentivize responsible investors with de-carbonization subsidy.

2. Investment incurred towards plant and machinery for de-carbonization intervention will receive capital subsidy as a percentage of eligible project cost.

#	Category	Non-Red category (Incentive as % of eligible project cost)	Red category (Incentive as % of eligible project cost)	Maximum incentive (% of FCI)
1	Large	20%	25%	6%

3. The total incentive under this category will be limited to a maximum of 6% of FCI.
4. The incentive is applicable for projects that are built for captive use.
5. Incentive will be disbursed according to the tenure specified for the respective investment band in the investment subsidy.

g. Stamp Duty reimbursement

1. **Reimbursement of 100% stamp duty and transfer duty** paid by the industry on purchase of land meant for industrial use will be reimbursed.
2. 100% stamp duty for lease of land/shed/buildings, mortgages and hypothecations will be reimbursed.
3. Stamp duty will be reimbursed only one time on the land. Stamp duty will not be reimbursed on subsequent transactions on the same land.

h. Land conversion charges

1. **100% fee** charged for land conversion will be reimbursed.

11. INFRASTRUCTURE DEVELOPMENT SUPPORT

11.1. Support for infrastructure will be provided, in designated zones within the space city, for the following facilities:

1. Direct Logistics Corridor with 6-lane road access to SDSC-SHAR
2. SpaceTech Parks developers
3. Common testing facility centres
4. Quality and Certification labs
5. Development of shared technical infrastructure, including cleanrooms, testing laboratories, and satellite integration bays

11.2. Financial Incentives provided will be as follows:

1. INR 100 Cr. SpaceTech Fund for Common Infrastructure.
2. 50% reimbursement of project cost (including Equipment cost), limited to INR 3 Cr. per lab. This infrastructure can be setup by an individual firms and be eligible for this incentive. The firm can follow the same procedure as application for investment subsidy, in order to receive this incentive. This Incentive will be disbursed in 2 equal annual instalments, over 2 years.
3. Facilitation of funds from Government of India for where available for these projects.
4. Labs and Testing/prototyping facilities can be accessed by Startups at Subsidized rates

11.3. Further, support shall be extended to national space agencies such as ISRO and NSIL for the creation or enhancement of launch support infrastructure in the State, covering vehicle integration facilities, telemetry centres, and fuel storage systems.

11.4. The state will also leverage funds available from Government of India in order to develop the industrial parks. The state will also work in close coordination with Department of Space, Government of India, in order to ensure seamless collaboration with all Government Space agencies as well as private sector.

12. INSTITUTIONAL MECHANISM FOR LAND ALLOTMENT AND INCENTIVE APPROVALS

12.1. A technical committee under the Commissioner of Industries will be setup in order to vet and process applications for land allotment in space city, as the lands available are limited and all the players for the successful operation of the Space City have to be accommodated in the Space City proposed by the Government in Sri Satya Sai District and Tirupati District.

12.2. To effectively implement the Andhra Pradesh Space Policy (4.0), the state will establish a dedicated Special Purpose Vehicle named the Andhra Pradesh Space City Corporation. This entity will be responsible for driving all initiatives related to the development of both the Space Cities. It will serve as the central agency to coordinate infrastructure development, raise startup funds, attract investments, facilitate industry partnerships, build partnerships to attractglobal demand and liaise with all Government of India entities for domestic demand. The Corporation will also facilitate investors to ensure streamlined execution of space-related projects.

12.3. This policy will be valid for a period of 5 years from the date of notification of this policy or till a new policy is announced.

12.4. Investor can refer to guidelines document notified by Industries & Commerce Department, vide G.O.M.s.No.28, dated 25.02.2025, for procedures for applying incentives under this policy and all other conditions for claiming incentives.

N.YUVARAJ
SECRETARY TO GOVERNMENT